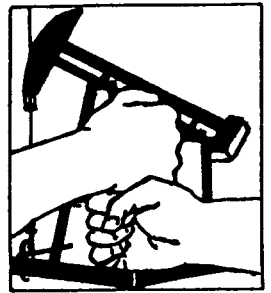


# **HANKEN ENERGY CORPORATION**

417 W. 18th Street, Suite 101  
Edmond, Oklahoma 73013-3663  
(405) 340-2363 • Fax (405) 340-2365



February 15, 2000

Utah Division of Oil, Gas & Mining  
P O Box 145801  
Salt Lake City, UT 84114-5801

RE: APD's  
Uintah County, Utah

Dear Sir(s):

Enclosed please find four (4) completed APD's, in triplicate, for the wells we are currently wishing to drill on our Fee acreage block. The surface is owned by the DWR and we have also sent a copy to their office in Salt Lake City as well as their Vernal office.

I hope you find everything in order but please do not hesitate to call should you have any questions whatsoever. Thank you for your continued support.

Sincerely,

Randolph L. Coy  
President

RLC:jr  
enc.

(utogm2rc)

**RECEIVED**  
FEB 16 2000  
DIVISION OF  
OIL, GAS AND MINING

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<b>APPLICATION FOR PERMIT TO DRILL OR DEEPEN</b>		5. Lease Designation and Serial Number: <b>Fee</b>	
1A. Type of Work: <b>DRILL <input checked="" type="checkbox"/></b> <b>DEEPEN <input type="checkbox"/></b>  B. Type of Well: <b>OIL <input type="checkbox"/></b> <b>GAS <input checked="" type="checkbox"/></b> OTHER: <b>SINGLE ZONE <input type="checkbox"/></b> <b>MULTIPLE ZONE <input checked="" type="checkbox"/></b>		6. If Indian, Allottee or Tribe Name:	
		7. Unit Agreement Name:	
		8. Farm or Lease Name:	
2. Name of Operator: <b>RANKEN ENERGY CORPORATION</b>		9. Well Number: <b>Ranken Energy DWR 12-28</b>	
3. Address and Telephone Number: <b>417 W. 18th St., Ste. 101, Edmond, OK 73013-3663 405/340-2363</b>		10. Field and Pool, or Wildcat:	
4. Location of Well (Footages) At Surface: <b>2105' FSL &amp; 550' FWL</b> At Proposed Producing Zone:		11. Qtr/Qtr, Section, Township, Range, Meridian: <b>NW/4 SW/4</b> <b>Section 28-T12S-R23E</b>	
14. Distance in miles and direction from nearest town or post office:		12. County: <b>Uintah</b>	13. State: <b>UTAH</b>
15. Distance to nearest property or lease line (feet): <b>4500'</b>	16. Number of acres in lease: <b>10903</b>	17. Number of acres assigned to this well: <b>40</b>	
18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): <b>1300'</b>	19. Proposed Depth: <b>3500'</b>	20. Rotary or cable tools: <b>Rotary</b>	
21. Elevations (show whether DF, RT, GR, etc.): <b>5630' Ground level</b>		22. Approximate date work will start: <b>April 15, 2000</b>	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<b>12 1/4"</b>	<b>8 5/8"</b>	<b>24</b>	<b>300'</b>	<b>To surface</b>
<b>7 7/8"</b>	<b>4 1/2"</b>	<b>10.5</b>	<b>T.D.</b>	<b>Cement top to cover the oil shale</b>

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

Operator requests permission to drill the subject well. Please see the attached 10 Point & 13 Point Surface Use Plan.

**RECEIVED**

**FEB 16 2000**

**DIVISION OF  
OIL, GAS AND MINING**

24. Name & Signature: **Randolph L. Coy** Title: **President** Date: **2/14/00**

(This space for State use only)

API Number Assigned: **4304233481**

Approval:

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: **4/25/00**

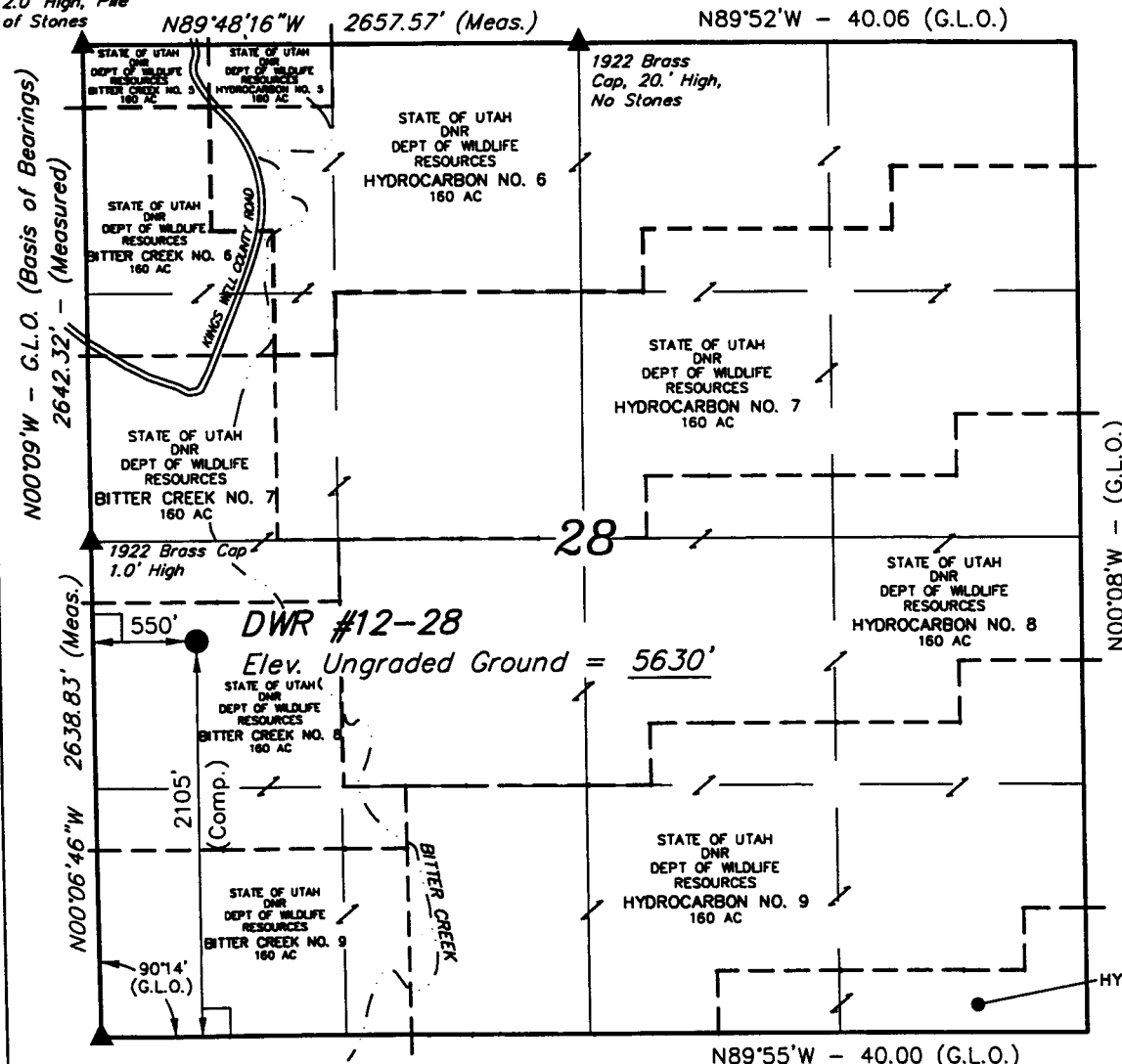
By: **[Signature]**

**T12S, R23E, S.L.B.&M.**

**RANKEN ENERGY CORP.**

Well location, DWR #12-28, located as shown in the NW 1/4 SW 1/4 of Section 28, T12S, R23E, S.L.B.&M. Uintah County, Utah.

1922 Brass Cap,  
2.0' High, Pile  
of Stones



1922 Brass Cap  
2.0' High, Pile  
of Flat Stones

**LEGEND:**

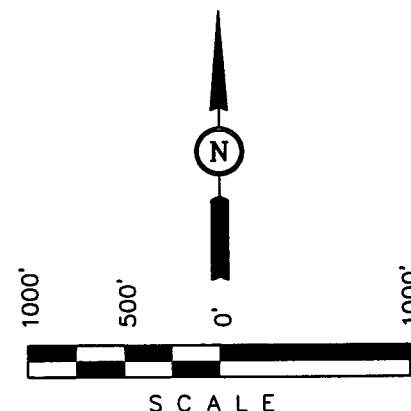
- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

NOTE:  
THE PROPOSED WELL HEAD BEARS  
S45°49'40\"E 768.27' FROM THE  
WEST 1/4 CORNER OF SECTION  
28, T12S, R23E, S.L.B.&M.

LATITUDE = 39°44'35\"  
LONGITUDE = 109°21'17\"

**BASIS OF ELEVATION**

BENCH MARK 82 EAM LOCATED IN THE SW 1/4 SW 1/4 OF SECTION 21, T12S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE. QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5584 FEET.



**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Robert L. Key*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161349  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 01-31-00	DATE DRAWN: 02-09-00
PARTY D.K. L.J. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE RANKEN ENERGY CORP.	

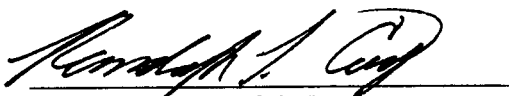
## SELF-CERTIFICATION STATEMENT

Please be advised that Ranken Energy Corporation are considered to be the Operator of the following well.

Ranken Energy DWR 12-28  
NW/4 SW/4, Section 28-T12S-R23E  
Lease Fee  
Uintah County, Utah

Ranken Energy Corporation is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond N 6258 provides state-wide bond coverage on all Fee and State Lands.



RANDOLPH L. COY

President

Ranken Energy Corporation  
417 West 18th Street, Suite 101  
Edmond, OK 73013-3663

405/340-2363

405/340-2365, fax

exp65@swbell.net, e-mail

(135671)  
jc



## **Ten Point Plan**

Ranken Energy Corporation

Ranken Energy DWR 12-28

Surface Location: NW/4 SW/4 Section 28-T12S-R23E

**1. Surface Formation:**

Green River

**2. Estimated Formation Tops and Datum:**

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5630', G.L.
Oil Shale	700'	+4930'
Wasatch	2080'	+3550'
T.D.	3500'	+2130'

**3. Producing Formation Depth:**

Formation objective includes the Wasatch and their sub-members.

Offset Well Information: Producing from a Wasatch sand found at 2000'.

Offset well: Ranken Energy - DWR 5-28

**4. Proposed Casing:**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade Weight/Ft.</u>	<u>Setting &amp; Thread</u>	<u>Casing Depth</u>	<u>New/ Used</u>
12 1/4	8 5/8	24	J-55/STC	300	New
7 7/8	4 1/2	10.5	J-55/LTC	T.D.	New

### Cementing Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
8 5/8	Prem. Plus 2% Calcium Chloride .25 lb/sx Flocele	207 sx +/-	1.20 cu. ft/sx	15.6 lbs./gal
4 1/2	2% Bentonite, .25 lb/sx Flocele, .3% CFR-3, .5% Halad-9, 2% Micro-Bond, .2% Super CBL	670 sx +/-	1.24 cu. ft/sx	14.50 lbs/gal

### 5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

### 6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./Ot.</u>	<u>Fluid Loss M1/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clean Wtr	---	No control	Water/gel
300-1800	Clear Water	---	No control	Water/gel
1800-T.D.	8.4 - 8.6	30	8 - 10	Water/gel

### 7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

**8. Testing, Coring, Sampling and Logging:**

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 1900' to T.D.
- d) Logging: 

<u>Type</u>	<u>Interval</u>
DLL/SFL W/GR and SP	T.D. to Surface Casing
FDC/CNL W/GR and CAL	T.D. to Surface Casing

**9. Abnormalities (including sour gas):**

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch and Mesaverde formation. Other wells drilled in the area have not encountered over pressured zones or H<sub>2</sub>S.

**10. Drilling Schedule:**

The anticipated starting date is April 15, 2000. Duration of operations expected to be 20 days.

(utah adps:dwr 12-28)

**RANKEN ENERGY CORPORATION**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**RANKEN ENERGY - DWR 12-28**

**LOCATED IN**

**NW/4, SW/4**

**SECTION 28-T12S-R23E, U.S.B&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: FEE**

**SURFACE OWNERSHIP:**

**STATE OF UTAH  
DIVISION OF WILDLIFE RESOURCES**

1. Existing Roads

To reach the Ranken Energy Corporation well DWR 12-28, in Section 28-T12S-R23E, from Bonanza, Utah:

Starting in Bonanza, Utah, proceed south on the paved road for 4 miles. Turn south (left) on the Book Cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals. Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign. Stay to the west (right) of the sign. This is also called the Kings Well road. Turn south (left). Proceed 1.7 miles. Turn west (right). Proceed 4.0 miles. The proposed access road will start at this point.

All existing roads to the proposed location are State or County Class D roads.

Please see the attached map for additional details.

2. Planned access road

The proposed location will require approximately **1584 feet of new road** construction on DWR ground.

The road will be built to the following standards:

- |                       |                 |
|-----------------------|-----------------|
| A) Approximate length | <b>1584 Ft.</b> |
| B) Right of Way width | <b>30 Ft.</b>   |
| C) Running surface    | <b>18 Ft.</b>   |
| D) Surfacing material | Native soil     |
| E) Maximum grade      | 5%              |
| F) Fence crossing     | None            |

- |                                  |      |
|----------------------------------|------|
| G) Culvert                       | None |
| H) Turnouts                      | None |
| I) Major cuts and fills          | None |
| J) Road flagged                  | Yes  |
| K) Access road surface ownership |      |

**1584'..... State of Utah,  
Division of Wildlife  
Resources**

- |                                  |      |
|----------------------------------|------|
| L) All new construction on lease | Yes  |
| M) Pipe line crossing            | None |

Please see the attached location plat for additional details.

**Right of way's will be required for the access road. A right-of-way application for both the location and road has been made to the Division of Wildlife Resources.**

3. Location of existing wells

The following wells are located within a one mile radius of the location site:

- |  |          |
|--|----------|
| A) Producing well: Ranken Energy -     |          |
|  | DWR 5-28 |
| B) Water well                          | None     |
| C) Abandoned well                      | None     |
| D) Temp. abandoned well                | None     |
| E) Disposal well                       | None     |
| F) Drilling/Permitted well             | None     |
| G) Shut-in wells                       | None     |
| H) Injection well                      | None     |
| I) Monitoring or obser-<br>vation well | None     |

Please see the attached map for additional details.

**4. Location of tank batteries, production facilities, and production gathering service lines.**

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well-site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Juniper Green** or **Desert Tan** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

**If the well is capable of economic production, a surface gas line will be required.**

**A proposed line will be constructed from the subject well and will tie into Ranken's Meter (CDP) at their DWR 5-28 wellsite.**

**Approximately 1584' of 2" or 4" gathering line would be constructed on DWR lands.**

Please see the attached location diagrams and map for pipeline location. The Operator proposes to bury the line under the surface. The Operator will install the line on DWR lands only. The route would be approximately the same length.

A gas check meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

**5. Location and type of water supply**

Water for drilling and cementing the subject well will be trucked or piped from Bitter Creek in Sec. 28-T12S-R23E. Permit # T72132. A second location may be used. It would be Evacuation Creek permit #49-1595. The Evacuation Creek distribution point is in Sec. 7-T11S-R25E. Water for completion will come from the same supply or Vernal City.

Water may be used from two existing test wells next to Bitter Creek. The wells are adjacent to the water take out point. Water quality tests will have to be performed before the water can be used.

**6. Source of construction materials**

All construction material for this location site and access road shall be borrowed material accumulated during construction of the location site and access road. Additional road gravels or pit lining material will be obtained from private sources.

**7. Methods for handling waste disposal**

**A) Pit construction and liners:**

The reserve pit will be approximately 10 feet deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

**The reserve pit will be lined, if necessary.**

The reserve pit will not be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced from fluids, etc.

**B) Produced fluids:**

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. Produced water will be trucked to a State of Utah approved disposal pit or well.

**C) Garbage:**

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

**D) Sewage:**

A portable chemical toilet will be supplied for human waste. The

human waste facilities will be permitted through Uintah County Health Department and disposal of human waste will conform with the county permit.

**E) Site clean-up:**

After the rig is moved off the location, the well site area will be cleaned and all refuse removed.

**8. Ancillary facilities**

There are no ancillary facilities planned at this time and none are foreseen for the future.

**9. Well-site layout and location**

**The proposed location has been staked at 550' FWL & 2105' FSL.**

**Well-site layout**

Location dimensions are as follows:

A) Pad length	300 ft.
B) Pad width	150 ft.
C) Pit depth	10 ft.
D) Pit length	100 ft.
E) Pit width	50 ft.
F) Max cut	6.5 ft.
G) Max fill	7.0 ft.
H) Total cut yds.	7180 cu yds
I) Pit location	southwest side
J) Top soil location:	northeast side
K) Access road location:	north end
L) Flare pit	corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty-nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

#### 10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1000 cubic yards of material. **Topsoil will be stock-piled in one distinct pile.** Placement of the topsoil is noted on the attached location plat. **The topsoil pile from the location will be seeded as soon as the soil is stock piled** with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled, the topsoil from the pit area will be spread on the pit area. The

**pit area will be seeded when the soil has been spread.** The unused portion of the location (the area outside the dead men) will be recontoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled.

All disturbed areas will be recontoured to the approximate natural contours. Prior to back-filling the pit, the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back-filling, an extension on the time requirement for back-filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and runoff from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert runoff as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.



- A) **Seeding Dates:** Seed will be spread when the top soil is stock piled and when reclamation work is performed.

**The seed mix and quantity required will be provided by the Division of Wildlife Resources.**

- B) **Seed Mix:** At such time as the well is plugged and abandoned, the Operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and reseeding requirements.

**11. Surface ownership:**

Access road: **DWR**

Location: **State of Utah Division of Wildlife Resources**

Pipeline: **DWR**

**12. Other information**

- A) **Vegetation:**

The vegetation coverage is slight. The majority of the existing vegetation consists of sagebrush. Rabbit brush, bitter brush and Indian rice grass are also found on the location.

- B) **Dwellings:**

There are no dwellings or other facilities within a one mile radius of the location.

- C) **Archeology and Paleontology:**

The location has been surveyed with copies enclosed.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

- D) **Water:**

**The nearest water is the Bitter Creek 1 mile west of the location.**

- E) **Chemicals:**

No pesticides, herbicides or other possible hazardous chemicals will be used without the Division of Wildlife Resources approval.

- F) **Notification:**

The Division of Wildlife Resources and the Division of Oil, Gas and Mining will be notified as follows:

- a) **Location construction**

At least forty-eight (48) hours prior to construction of location and access roads.

- b) **Location completion**

Prior to moving on the drilling rig.

- c) **Spud notice**

At least twenty-four (24) hours prior to spudding the well.

- d) **Casing string and cementing**

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

- e) **BOP and related equipment tests**

- At least twenty-four (24) hours prior to initial pressure tests.
- f) **First production notice**  
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than ninety (90) days.
- g) **Completion and work over**  
At least twenty-four (24) hours prior to moving on location.

Division of Wildlife Resources  
(434)789-3103

Division of Oil, Gas and Mining  
(801)538-5340 or (435)722-3417

H) Flare pit:

The flare pit will be located in corner C of the reserve pit outside the pit fence and 85 feet from the bore hole on the **southwest side of location**. All fluids will be removed from the pit within forty-eight (48) hours of occurrence.

13. **Leases or Operator's representative and certification**

A) Representative

William A. Ryan

Rocky Mountain Consulting  
350 South 800 East  
Vernal, UT 84078

Office: (435)789-0968  
Fax (435)789-0970  
Cellular (435)828-0968

All lease operations will be conducted in such a manner that full

compliance is made with all applicable laws and regulations. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation herein will be performed by **Ranken Energy Corporation** and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date: \_\_\_\_\_

William A. Ryan, Agent  
Rocky Mountain Consulting

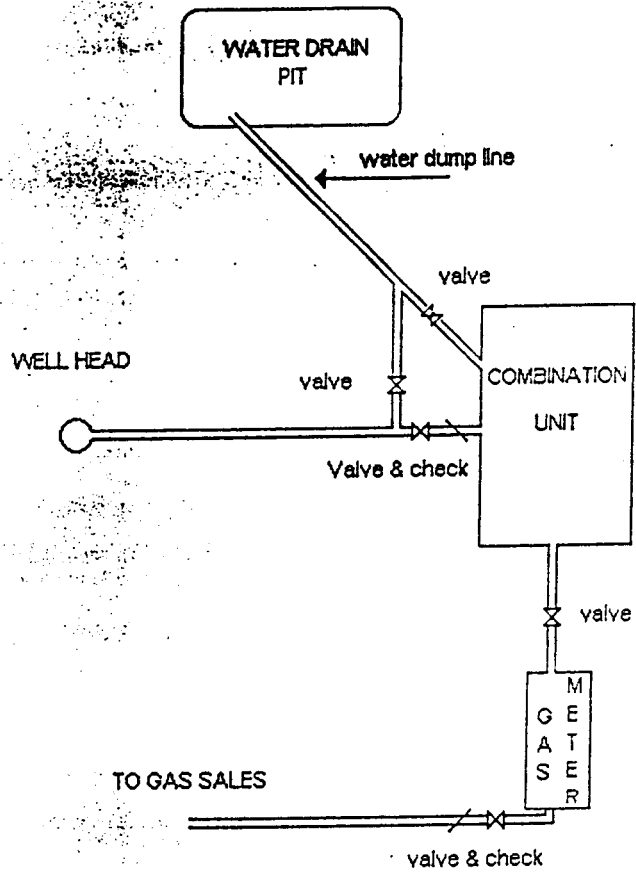
Onsite Date: \_\_\_\_\_

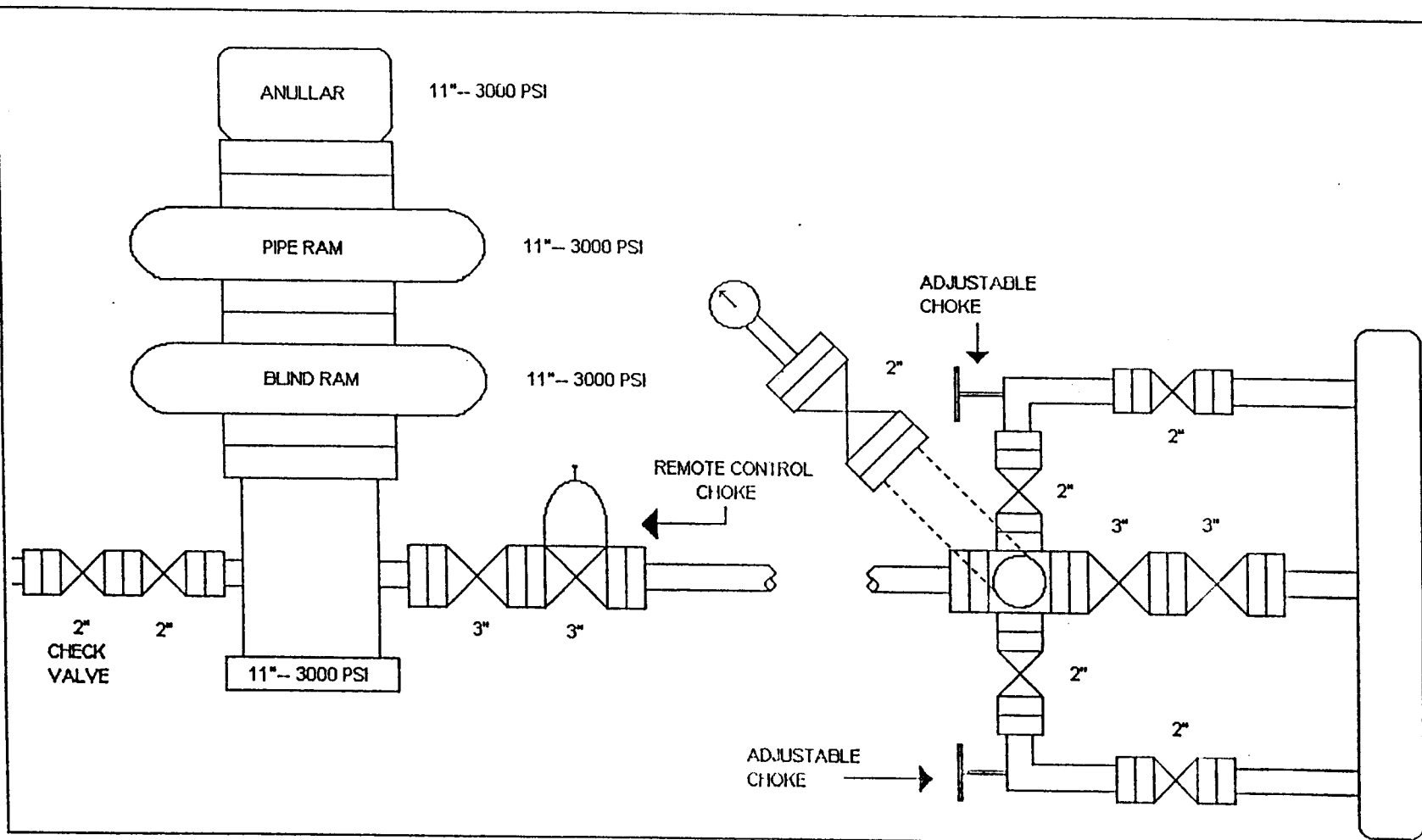
(utah adps:dwr 12-28)

**Ranken Energy**

**Typical**

**Gas Well**





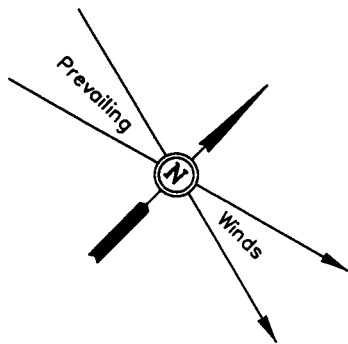
# RANKEN ENERGY CORP.

## LOCATION LAYOUT FOR

DWR #12-28

SECTION 28, T12S, R23E, S.L.B.&M.

2105' FSL 550' FWL



SCALE: 1" = 50'  
DATE: 02-09-00  
Drawn By: D.R.B.

CONSTRUCT  
DIVERSION  
DITCH

Approx.  
Top of  
Cut Slope

El. 38.1'  
**C-20.6'**  
(btm. pit)

FLARE PIT C-5.4'  
El. 32.9'

Pit Capacity With  
2' of Freeboard  
is 4,800 Bbls. ±

10' WIDE BENCH

RESERVE PITS  
(10' Deep)

Slope = 1:1

El. 39.8'  
**C-22.3'**  
(btm. pit)

El. 34.1'  
**C-6.6'**

Reserve Pit Backfill  
& Spoils Stockpile

**C-6.9'**  
El. 34.4'

**C-4.1'**  
El. 31.6'

**F-4.7'**  
El. 22.8'

CONSTRUCT  
DIVERSION  
DITCH

Proposed Access  
Road

Install  
18" CMP

Existing  
Drainage

Elev. Ungraded Ground at Location Stake = 5629.6'  
Elev. Graded Ground at Location Stake = 5627.5'

**C-0.1'**  
El. 27.6'

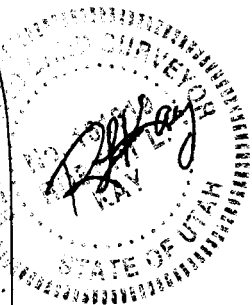
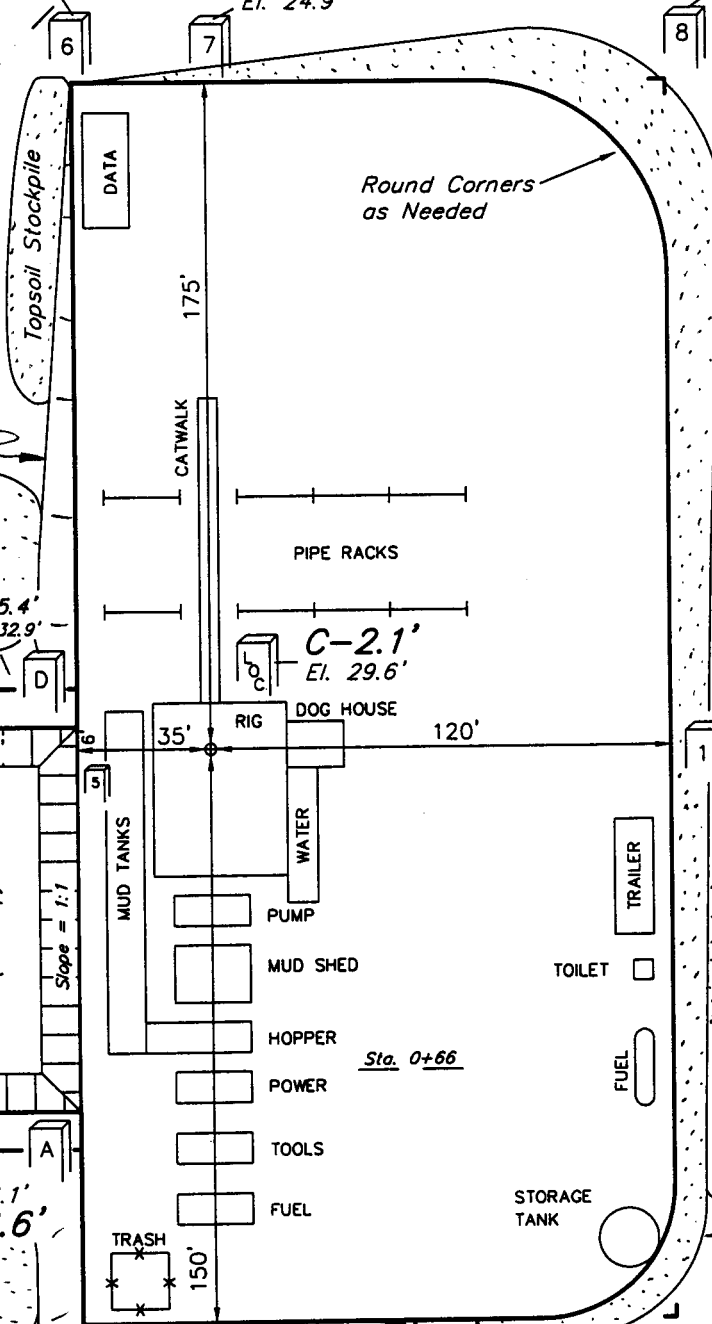
**F-2.6'**  
El. 24.9'

**F-11.0'**  
El. 16.5'

Sta. 3+25

Sta. 1+50

Sta. 0+00



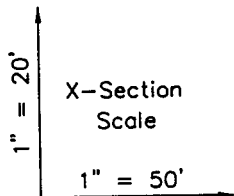
# RANKEN ENERGY CORP.

## TYPICAL CROSS SECTIONS FOR

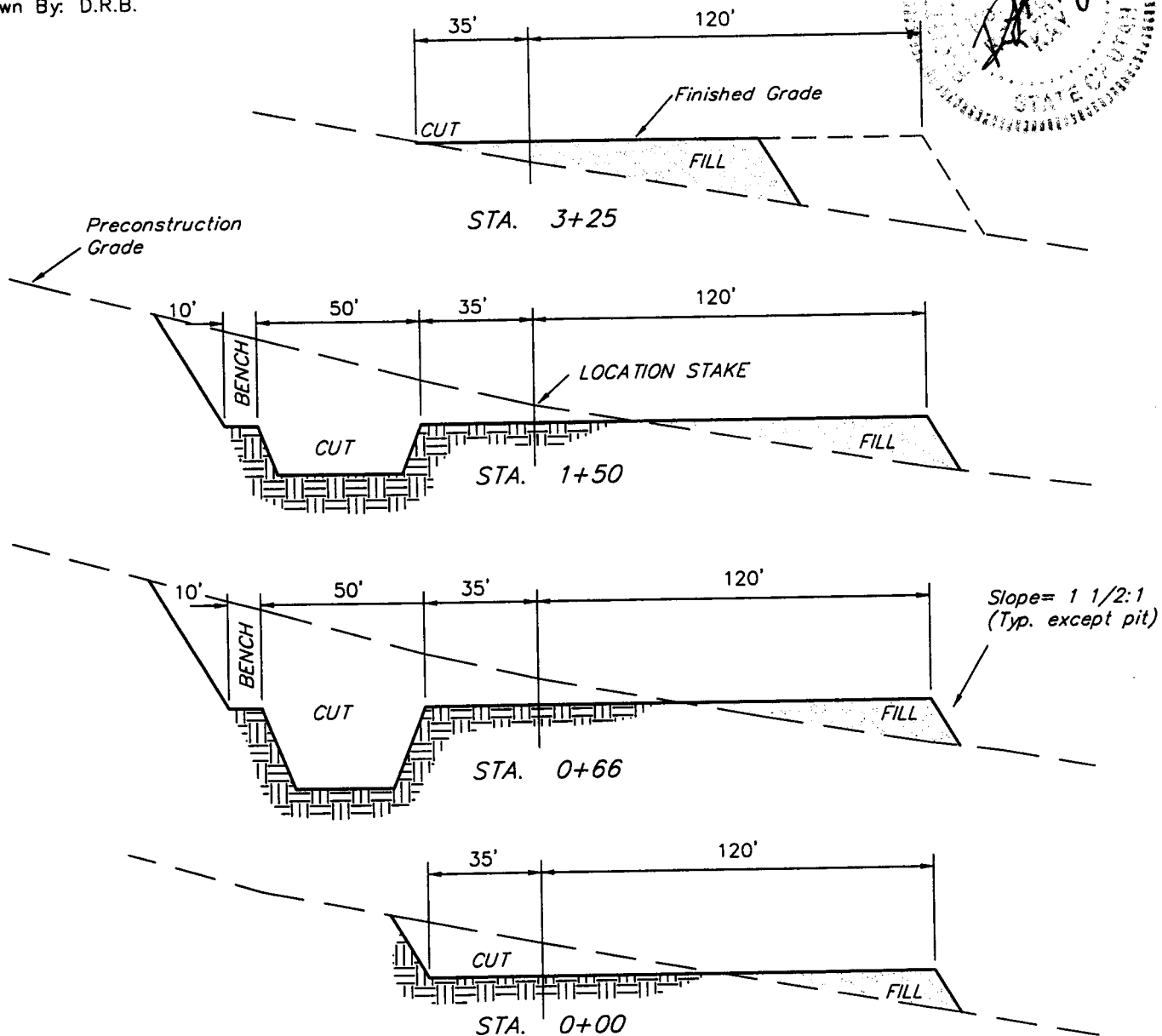
DWR #12-28

SECTION 28, T12S, R23E, S.L.B.&M.

2105' FSL 550' FWL



DATE: 02-09-00  
Drawn By: D.R.B.

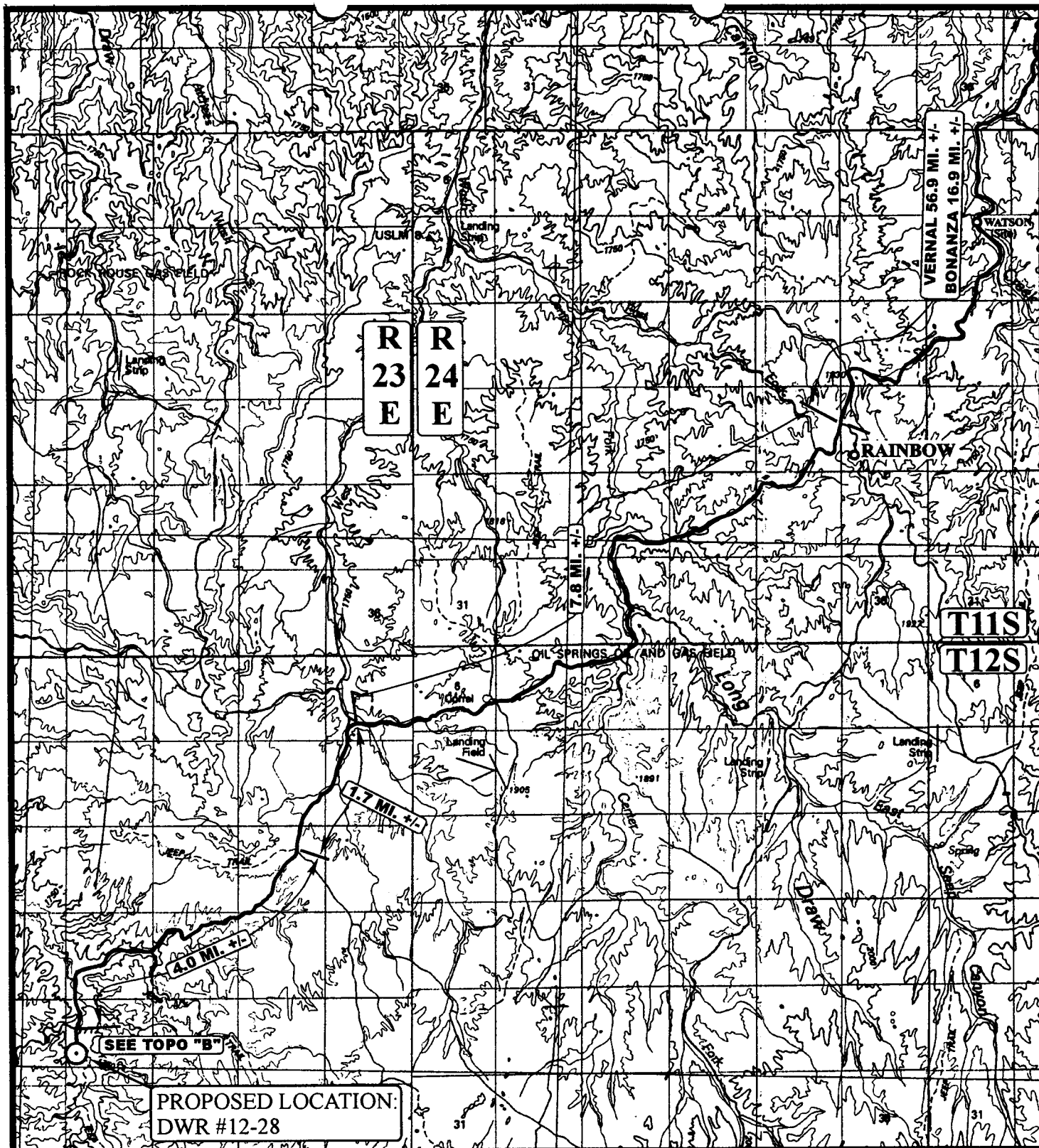


### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,070 Cu. Yds.
Remaining Location	= 6,110 Cu. Yds.
TOTAL CUT	= 7,180 CU.YDS.
FILL	= 5,170 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,740 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,740 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



PROPOSED LOCATION:  
DWR #12-28

# LEGEND:

○ PROPOSED LOCATION

## RANKEN ENERGY CORP.

DWR #12-28

SECTION 28, T12S, R23E, S.L.B.&M.  
2105' FSL 550' FWL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



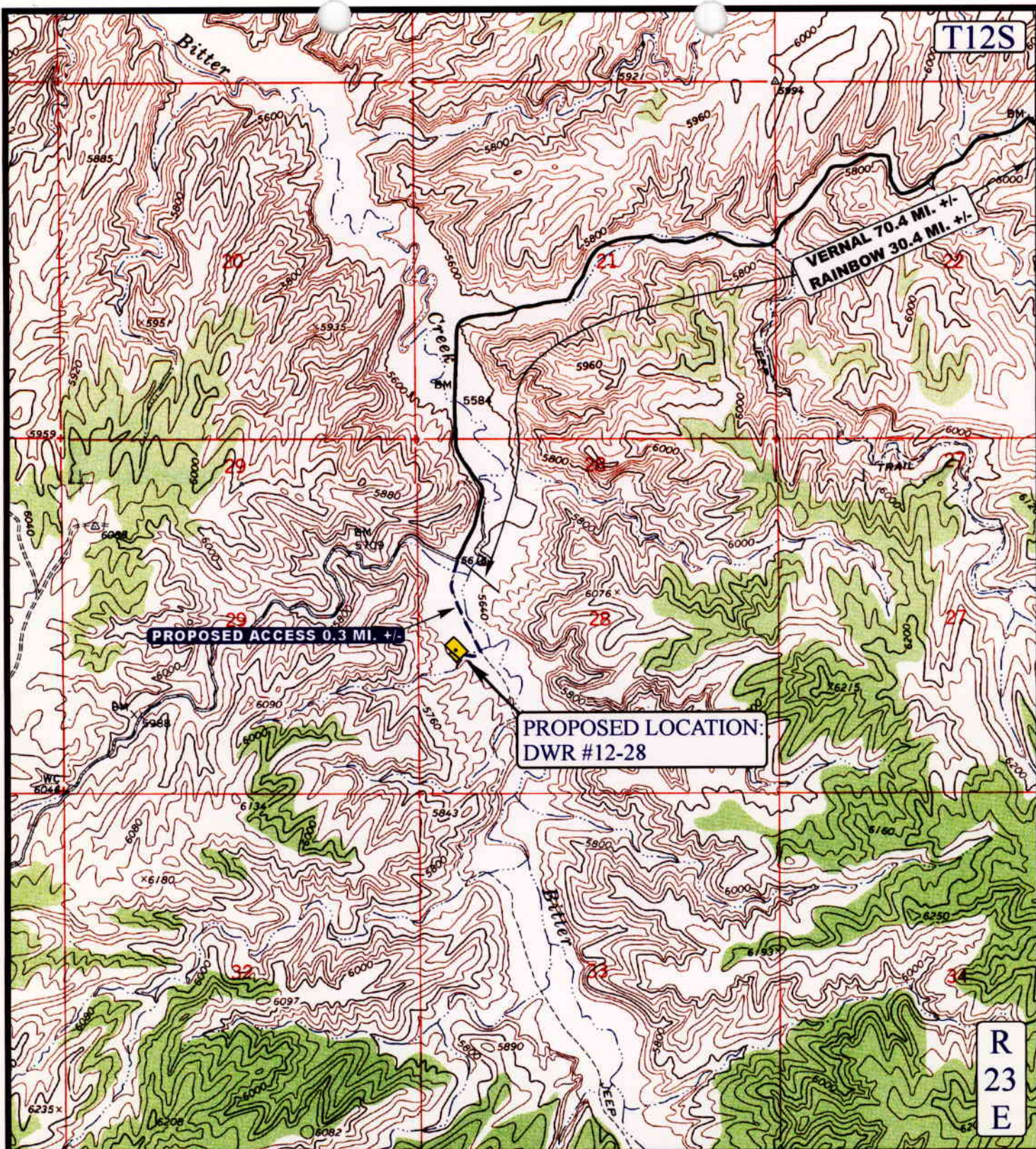
TOPOGRAPHIC  
MAP

2 8 00  
MONTH DAY YEAR

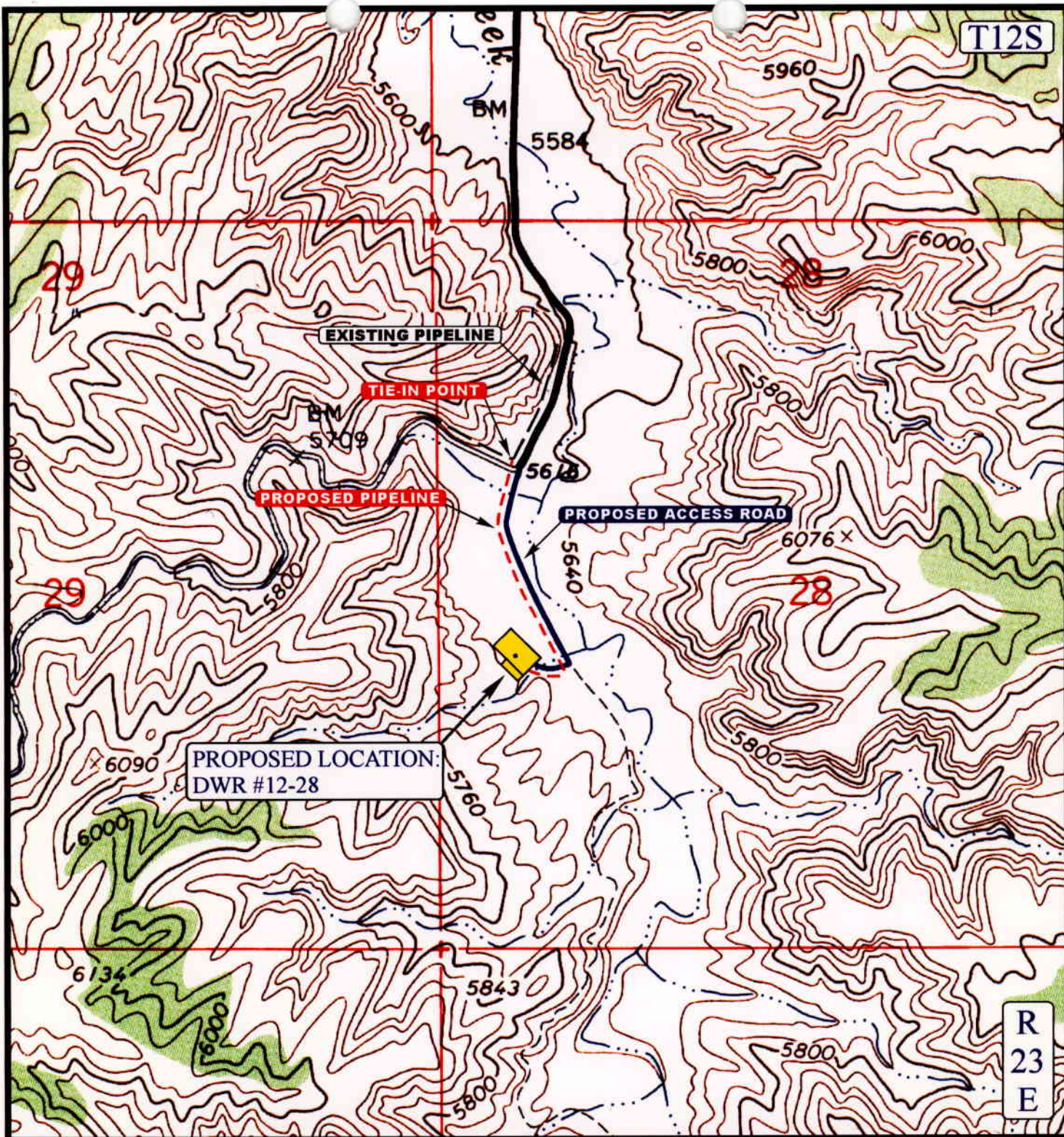
SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00











**APPROXIMATE TOTAL PIPELINE DISTANCE = 2000' +/-**

**LEGEND:**

- — — — — EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- — — — — PROPOSED ACCESS

**RANKEN ENERGY CORP.**

**DWR #12-28**  
**SECTION 28, T12S, R23E, S.L.B.&M.**  
**2105' FSL 550' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC**  
**MAP**

**2 8 00**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00





**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/16/2000

API NO. ASSIGNED: 43-047-33481

WELL NAME: DWR 12-28

OPERATOR: RANKEN ENERGY CORP ( N6250 )

CONTACT: RANDOLPH COY

PHONE NUMBER: 405-340-2363

**PROPOSED LOCATION:**

NWSW 28 120S 230E

SURFACE: 2105 FSL 0550 FWL

BOTTOM: 2105 FSL 0550 FWL

UINTAH

UNDESIGNATED ( 2 )

LEASE TYPE: 4-Fee

LEASE NUMBER: FEE

SURFACE OWNER: 3-State (DWR)

PROPOSED FORMATION: WSTC

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	<i>RJK</i>	<i>3-27-00</i>
Geology		
Surface		

**RECEIVED AND/OR REVIEWED:**

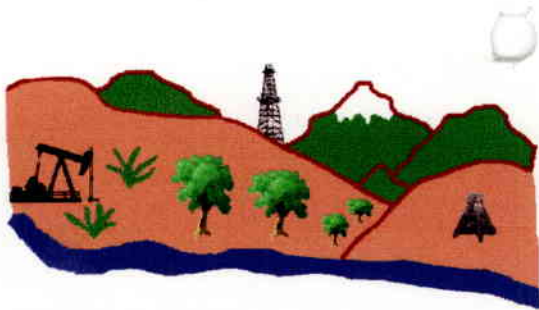
☒ Plat  
☒ Bond: Fed[] Ind[] Sta[] Fee[4]  
(No. 135671)  
☒ Potash (Y/N)  
☒ Oil Shale (Y/N) \*190 - 5 (B)  
☒ Water Permit  
(No. T72132)  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_)  
N/A Fee Surf Agreement (Y/N)

**LOCATION AND SITING:**

☐ R649-2-3. Unit \_\_\_\_\_  
☒ R649-3-2. General  
Siting: \_\_\_\_\_  
☐ R649-3-3. Exception  
☐ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_  
☐ R649-3-11. Directional Drill

COMMENTS: Need Presite. (Conducted 3-10-00)

STIPULATIONS: ① STATEMENT OF BASIS



Utah Oil Gas and Mining

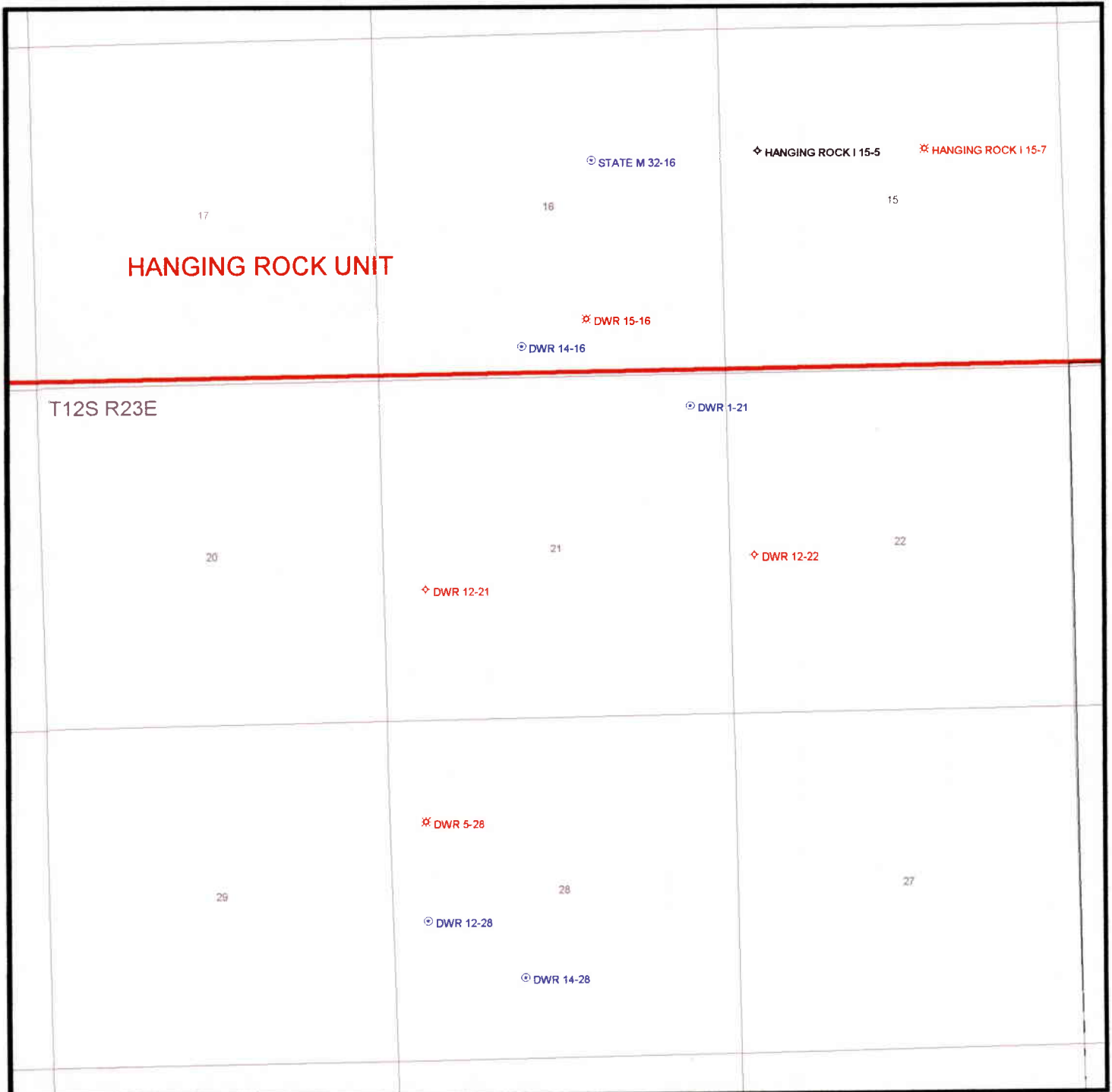
Serving the Industry, Protecting the Environment

OPERATOR: RANKEN ENERGY (N6250)

FIELD: UNDESIGNATED (002)

S EC. 16, 21 & 28, T 12 S, R 23 E

COUNTY: UINTAH UNIT: HANGING ROCK



PREPARED  
DATE: 17-Feb-2000

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

OPERATOR: RANKEN ENERGY CORP.  
WELL NAME & NUMBER: DWR 12-28  
API NUMBER: 43-047-33481  
LEASE: FEE FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4, 1/4 NW/SW SEC: 28 TWP: 12S RNG: 23E  
2105' F S L 550' F W L  
LEGAL WELL SITING: Statewide 400 foot window in center of 40  
acre tract and no closer than 920 feet from  
another well.  
GPS COORD (UTM): 12640872E 4400567N  
SURFACE OWNER: DIVISION OF WILDLIFE RESOURCES

**PARTICIPANTS:**

BILL RYAN (RANKEN), JACK LYTLE (DWR), DAVID HACKFORD (DOGM),  
NATALIE GALE, (DWR).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY:**

SITE IS IN THE MOUTH OF A CANYON RUNNING EAST TOWARD BITTER  
CREEK 500 FEET AWAY. A DRY STREAM BED RUNS DOWN CANYON ADJACENT  
TO SITE. THERE ARE STEEP SLOPES TO THE WEST AND SOUTH.

**SURFACE USE PLAN:**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.  
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 325' BY 205'  
AND ACCESS ROAD WOULD BE 0.3 MILES OF NEW CONSTRUCTION.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE  
ATTACHED MAP FROM GIS DATABASE

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: \_\_\_\_\_  
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED  
AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL  
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

**ENVIRONMENTAL PARAMETERS:**

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, GREASEWOOD, PRICKLY PEAR, CHEAT GRASS, SHADSCALE: SONG BIRDS, RAPTORIAL BIRDS, RODENTS, COYOTES, DEER, ELK, PRONGHORN, COUGAR, BOBCATS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY LOAM.

EROSION/SEDIMENTATION/STABILITY: MINOR NATURAL EROSION ON STEEP SLOPE TO THE WEST. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED. SUE ANN BILBY FROM THE VERNAL MUSEUM OF NATURAL HISTORY WILL PERFORM A PALEO STUDY FOR RANKEN AT DWR REQUEST.

**RESERVE PIT:**

CHARACTERISTICS: 100' BY 50' AND 10'DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED.

**SURFACE RESTORATION/RECLAMATION PLAN:**

AS PER LANDOWNER AGREEMENT OR AS DIRECTED BY DIVISION.

**SURFACE AGREEMENT:** A SURFACE AGREEMENT HAS NOT BEEN SIGNED AT THIS TIME.

**CULTURAL RESOURCES/ARCHAEOLOGY:** SITE WILL BE INSPECTED BY SAGE-BRUSH CONSULTING. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

**OTHER OBSERVATIONS/COMMENTS:**

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A WARM SUNNY DAY.

---

**ATTACHMENTS:**

PHOTOS OF SITE WILL BE PLACED ON FILE.

---

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

3/10/00 2:00PM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and On-site Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
<b>Distance to Groundwater (feet)</b>		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>10</u>
<b>Distance to Surf. Water (feet)</b>		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
<b>Distance to Nearest Municipal Well (feet)</b>		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
<b>Distance to Other Wells (feet)</b>		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
<b>Native Soil Type</b>		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
<b>Fluid Type</b>		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
<b>Drill Cuttings</b>		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
<b>Annual Precipitation (inches)</b>		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
<b>Affected Populations</b>		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
<b>Presence of Nearby Utility</b>		
<b>Conduits</b>		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
<b>Final Score</b>		<u>15</u>













**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**Operator Name:** RANKEN ENERGY CORP.

**Well Name & Number:** DWR #12-28

**API Number:** 43-047-33481

**Location:** 1/4,1/4 NW/SW Sec. 28 T. 12S R. 23E

**Geology/Ground Water:**

Ranken Energy has proposed setting 300 feet of 8 5/8" surface casing which will be cemented to surface at this location. The base of the moderately saline groundwater is estimated to be at a depth of 3100 feet. This is near the proposed total depth of this well in the Wasatch formation. A search of Division of Water Rights records show no water wells within 10,000 feet of the center of Section 28. The proposed surface casing program should adequately protect Ground water resources in the area.

**Reviewer:** Brad Hill

**Date:** 3/23/00

**Surface:**

The pre-drill investigation of the surface was performed on 3/10/00. The Division of Wildlife Resources is the surface owner, and they were represented by Jack Lytle and Natalie Gale. Mr. Lytle stated that all DWR concerns and stipulations would be addressed in the Landowner Agreement. The nearest moving water to this site is Bitter Creek 500 FEET to the east. A diversion ditch will be constructed around north and south sides of location to allow for natural runoff.

**Reviewer:** David W. Hackford

**Date:** 3/14/00

**Conditions of Approval/Application for Permit to Drill:**

1. A diversion ditch shall be constructed around north and south side of location.

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT  
FEET, FEET OF THE CT CORNER,  
SECTION 28 TOWNSHIP 12S RANGE 23E SL BASE AND MERIDIAN

N O R T H





## (

(



Well name:	<b>3-00 Ranken DWR <del>124</del> 12-28</b>	
Operator:	<b>Ranken Energy Corporation</b>	
String type:	<b>Surface</b>	Project ID: <b>43-047-33480 /</b>
Location:	<b>Uintah Co.</b>	

**Design parameters:**

**Collapse**

Mud weight: 8.330 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 79 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 300 ft

Cement top: 1 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.433 psi/ft  
Calculated BHP 130 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.  
Neutral point: 262 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 300 ft  
Next mud weight: 8.330 ppg  
Next setting BHP: 130 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 300 ft  
Injection pressure 300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	8.625	24.00	J-55	ST&C	300	300	7.972	14.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	1370	10.56	130	2950	22.73	6	244	38.74 J

Prepared by: Bob Krueger  
Utah Dept. of Natural Resources

Phone: (801) 538-5274  
FAX: (801) 359-3940

Date: March 27, 2000  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Collapse is based on a vertical depth of 300 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.  
Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*



Well name:	<b>3-00 Ranken DWR <del>1-21</del> 12-28</b>	
Operator:	<b>Ranken Energy Corporation</b>	
String type:	<b>Production</b>	Project ID: <b>43-047-33484</b>
Location:	<b>Uintah Co.</b>	

**Design parameters:**
**Collapse**

Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 124 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 720 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.447 psi/ft  
Calculated BHP 1,564 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 3,052 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3500	4.5	10.50	J-55	ST&C	3500	3500	3.927	73.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1564	4010	2.56	1564	4790	3.06	37	132	3.59 J

Prepared by: Bob Krueger  
Utah Dept. of Natural Resources

Phone: (801) 538-5274  
FAX: (801) 359-3940

Date: March 27, 2000  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 3500 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes.

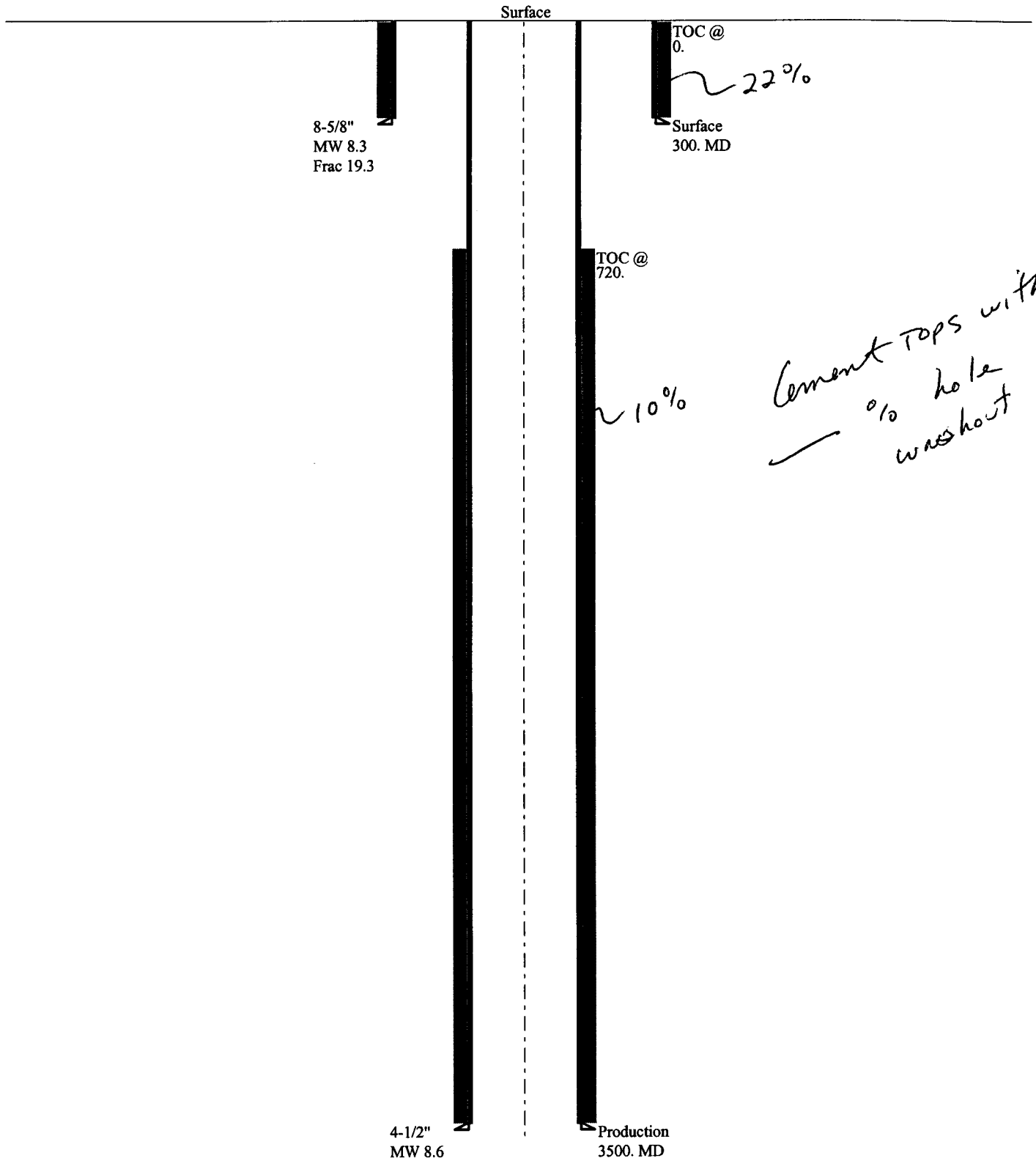
Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

# 3-00 Ranken DWR ~~121~~

Casing Schematic

12-28



# SAGEBRUSH CONSULTANTS, L.L.C.

Cultural Resources • Environmental Studies • Historic Preservation



March 27, 2000

John Basa  
Utah Division of Oil, Gas and Minerals  
P.O. Box 145801  
1594 West North Temple, Suite 210  
Salt Lake City, Utah 84114-5801

RE: A Cultural Resource Survey of Ranken Energy Wells DWR #12-28, DWR #14-28,  
DWR #8-29, DWR #10-29 and Associated Access Corridors, Uintah County, Utah

Dear John;

We have completed an inventory of four proposed wells for Ranken Energy, Incorporated in Uintah County, Utah. All are located on state lands administered by DWR. No sites were found. Enclosed please find a copy of the report entitled *A Cultural Resource Survey of Ranken Energy Wells DWR #12-28, DWR #14-28, DWR #8-29, DWR #10-29 and Associated Access Corridors, Uintah County, Utah*. The SHPO has also been contacted for consultation with regard to this project.

Please let me know if you have any questions.

Sincerely,

Michael R. Polk  
Principal Archaeologist/Owner

enclosures

**RECEIVED**

MAR 28 2000

DIVISION OF  
OIL, GAS AND MINING

**A CULTURAL RESOURCE SURVEY OF RANKEN ENERGY WELLS  
DWR #12-28, DWR #14-28, DWR #8-29, DWR #10-29  
AND ASSOCIATED ACCESS CORRIDORS, UINTAH COUNTY, UTAH**

by

Michael R. Polk  
Principal Archaeologist/Owner

and

James R. Christensen  
Assistant Archaeologist

Prepared for:

Ranken Energy, Inc.  
417 West 18<sup>th</sup> Street  
Edmond, Oklahoma 73013-3663

Prepared by:

Sagebrush Consultants, L.L.C.  
3670 Quincy Avenue, Suite 203  
Ogden, Utah 84403

Under Authority of Utah State Antiquities Permit No. U-00-SJ-0034s

Archaeological Report No. 1153

March 27, 2000

## INTRODUCTION

In February 2000, Ranken Energy Corporation (Ranken) of Vernal, Utah requested that Sagebrush Consultants, L.L.C. (Sagebrush) conduct a cultural resource inventory of Ranken Energy Wells DWR #12-28, DWR #14-28, DWR #8-29, DWR #10-29 and associated access corridors in Uintah County, Utah. The purpose of this inventory is to identify cultural resource sites which may be present within the proposed project area.

The proposed wells are located in T. 12S., R. 23E., S. 28 and 29 on USGS 7.5' Quadrangle Cooper Canyon (1966) (Figure 1). Footages for the proposed well locations are as follows: DWR #12-28 (2105' FSL 550' FWL); DWR #14-28 (1246' FSL 2032' FWL); DWR #8-29 (2432' FNL 658' FEL); DWR # 10-29 (1592' FSL 2026' FEL). The proposed well pad locations and associated access corridors lie on Utah State Lands administered by the Division of Wildlife Resources. A survey of the project area was carried out by Michael R. Polk on March 16 and 17, 2000 under authority of Utah State Antiquities Permit No. U-00-SJ-0034s.

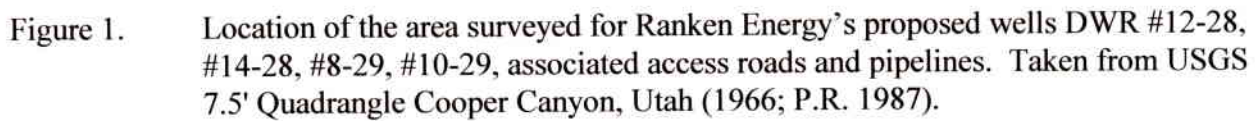
A file search for previously recorded cultural resource sites located near the current project area was conducted by Heather M. Weymouth and James R. Christensen at the Bureau of Land Management, Vernal District Office on June 11, 1999. An updated file search was conducted by James R. Christensen at the Utah State Historic Preservation Office in Salt Lake City, Utah on March 20, 2000.

More than 20 previous cultural resource projects have been conducted in the vicinity of the current project. Due to the large number of projects conducted in this area, individual project descriptions will not be listed. Despite the large number of projects that have been conducted in the vicinity of the current project area, none have resulted in the documentation of a cultural resource site within a one mile radius of the proposed project. The NRHP was also consulted prior to the commencement of fieldwork for the present project. No NRHP listed sites were found to be located in the vicinity of the current project area.

## ENVIRONMENT

The project area lies in the dissected tablelands southwest of the Oil Springs Oil and Gas Field. The elevation of the areas surveyed range from between approximately 5680 and 6090 feet a.s.l. Sediments consist of tan to brown sandy silt. Vegetation in the higher elevations covers approximately 30 percent of the ground surface and consists of pinyon-juniper community species including ephedra, yucca, juniper, pinyon pine, mountain mahogany and cactus. Vegetation in the lower elevations covers approximately 45 percent of the ground surface and consists of pinyon-juniper community species including sagebrush, greasewood, cactus, spiny hopsage, pinyon pine and juniper. The nearest significant permanent water source is Bitter Creek which is located approximately 0.4 to 1.6 km (0.25 to 1.0 miles) west of the proposed well locations.







Numerous seasonal drainages and washes are present throughout the general vicinity. Natural disturbance in the area consists of arroyo cutting, sheetwash and aeolian erosion. Cultural disturbance includes existing well pad locations and access roads, pipelines and sheep and cattle grazing.

## **METHODOLOGY**

The project area inventoried consists of four 40,469 m<sup>2</sup> (10 ac) parcels of land 201-by-201 m (660-by-660 ft) centered on the proposed well heads, and 1.74 km (1.08 mi) of proposed access corridor. The well pads were inventoried in parallel transects spaced no more than 15 m (50 ft) apart. The access roads and pipelines were walked in two parallel transects spaced 10 m (32 ft) apart to cover a corridor width of 30m (100 ft). The area surveyed during this project (including proposed well pads and access corridors) totaled 21.5 ha (53.1 ac).

## **RESULTS**

A cultural resource inventory was conducted for proposed Ranken Energy Wells DWR #12-28, DWR #14-28, DWR #8-29, DWR #10-29 and associated access corridors in Uintah County, Utah. No cultural resource sites or isolated artifacts were identified during this inventory despite the relative proximity of several of the well locations and access corridors to a permanent source of water (Bitter Creek).

## **RECOMMENDATIONS**

A cultural resource inventory was conducted for proposed Ranken Energy Wells DWR #12-28, DWR #14-28, DWR #8-29, DWR #10-29 and associated access corridors in Uintah County, Utah. No cultural resource sites or isolated artifacts were identified during this inventory. As such, cultural resource clearance is recommended for the proposed project.

This investigation was conducted with techniques which are considered to be adequate for evaluating cultural resources that are available for visual inspection and could be adversely affected by the proposed project. However, should such resources be discovered during construction, a report should be made immediately to the State Archaeologist, Division of State History, Utah State Historic Preservation Office, Salt Lake City, Utah.



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

April 25, 2000

Ranken Energy Corporation  
417 West 18th Street, Suite 101  
Edmond, OK 73013-3663

Re: DWR 12-28 Well, 2105' FSL, 550' FWL, NW SW, Sec. 28, T. 12S, R. 23E,  
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the enclosed Conditions of Approval, approval to drill the referenced well is granted.

This approval will expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33481.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".  
John R. Baza  
Associate Director

er

Enclosures

cc: Uintah County Assessor  
Division of Wildlife Resources

**Operator:** Ranken Energy Corporation

**Well Name & Number:** DWR 12-28

**API Number:** 43-047-33481

**Lease:** Fee

**Location:** NW SW      **Sec.** 28      **T.** 12S      **R.** 23E

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

Notify the Division of the following actions during drilling of this well:

- . 24 hours prior to cementing or testing casing
- . 24 hours prior to testing blowout prevention equipment
- . 24 hours prior to spudding the well
- . within 24 hours of any emergency changes made to the approved drilling program
- . prior to commencing operations to plug and abandon the well

Division contacts (please leave a voice mail message if the person is not available to take the call):

- . Dan Jarvis at (801)538-5338
- . Robert Krueger at (801)538-5274 (plugging)
- . Carol Daniels at (801)538-5284 (spud)

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Division of Wildlife Resources and the Division of State History of the discovery of such remains.**

**5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)**



# State of Utah

GOVERNOR'S OFFICE OF PLANNING AND BUDGET  
Resource Development Coordinating Committee

Michael O. Leavitt  
Governor

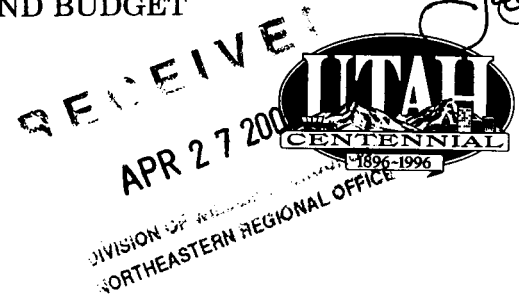
Brad T. Barber  
State Planning Coordinator

James L. Dykmann  
Committee Chairman

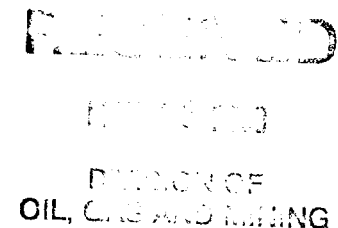
John A. Harja  
Executive Director

116 State Capitol Building  
Salt Lake City, Utah 84114  
(801) 538-1027  
Fax: (801) 538-1547

April 20, 2000



Jack Lytle  
Division of Wildlife Resources  
1594 West North Temple  
Salt Lake City, Utah 84114



SUBJECT: Ranken Energy Corporation Easement Applications for wells #: DWR-4-21;  
DWR-16-16; DWR3-21; DWR-10-29; DWR2-21; DWR-8-29; DWR-12-28;  
DWR-14-16; DWR-14-28; and DWR-1-21  
State Identification Number: UT000323-040 to 130

Dear Mr. Lytle,

The Resource Development Coordinating Committee (RDCC), representing the State of Utah, has reviewed this proposal. State agencies' comments are as follows:

## Utah Geological Survey

There are no paleontological localities recorded in this project area. However, the Eocene Green River and Uinta Formations are exposed throughout this area, and there is potential for the occurrence of significant paleontological resources. Other exposures of these two formations in this region have yielded sites with vertebrates, plants, and insect fossils. Any surface areas that may be disturbed should be surveyed and if needed mitigated by a qualified paleontologist.

## Trust Lands Administration

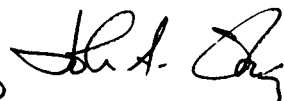
The Trust Lands Administration is not opposed to issuance of rights-of-way or drill site locations on lands managed by Division of Wildlife Resources ("DWR"). The Trust Lands Administration is withholding permission to Ranken Energy Corporation ("Ranken") to cross adjacent trust land to access the DWR land pending a decision by the Bureau of Land Management ("BLM") and DWR that Ranken's oil and gas drilling, road construction, travel and presence on the DWR lands and adjoining trust land and BLM land will not negatively affect the intention of the Resource Development Group ("RDG") partners to proceed with oil and gas development in the adjacent RDG environmental assessment area.

Jack Lytle  
Ranken Energy Corporation Easement Applications  
2

The Trust Lands Administration notes that the DWR appears to be acting inconsistently in recommending approval of surface disturbance for oil and gas exploration and development on DWR land while encouraging BLM to limit the RDG proposal.

The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Utah State Clearinghouse at the above address or call Carolyn Wright at (801) 538-1535 or John Harja at (801) 538-1559.

Sincerely,

  
for Brad T. Barber  
State Planning Coordinator

BTB/ar

6. UT000323-070 Division of Wildlife Resources/Uintah  
County: Ranken Energy Corporation  
Easement Application for well DWR-10-29  
(Sec. 21, T12S, R23E). Comments due 4/11/00.
7. UT000323-080 Division of Wildlife Resources/Uintah  
County: Ranken Energy Corporation  
Easement Application for well DWR-2-21  
(Sec. 21, T12S, R23E). Comments due 4/11/00.
8. UT000323-090 Division of Wildlife Resources/Uintah  
County: Ranken Energy Corporation  
Easement Application for well DWR-8-29  
(Sec. 29, T12S, R23E). Comments due 4/11/00.
9. UT000323-100 Division of Wildlife Resources/Uintah  
County: Ranken Energy Corporation  
Easement Application for well #DWR-12-28  
(Sec. 28, T12S, R23E). Comments due 4/11/00.
10. UT000323-110 Division of Wildlife Resources/Uintah  
County: Ranken Energy Corporation  
Easement Application for well DWR-14-16  
(Sec. 16, T12S, R23E). Comments due 4/11/00.
11. UT000323-120 Division of Wildlife Resources/Uintah  
County: Ranken Energy Corporation  
Easement Application for well #DWR-14-28  
(Sec. 28, T13S, R23E). Comments due 4/11/00.
12. UT000323-130 Division of Wildlife Resources/Uintah  
County: Ranken Energy Corporation  
Easement Application for well #DWR-1-21  
(Sec. 21, T12S, R23E). Comments due 4/11/00.



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:  
RANKEN ENERGY CORPORATION

3. Address and Telephone Number:  
417 W. 18th St., Ste. 101, Edmond, OK 73013-3663 405/340-2363

4. Location of Well  
Footages: 2105' FSL & 550' FWL  
QQ, Sec., T., R., M.: NW/4 SW/4 Sec. 28-12S-23E

5. Lease Designation and Serial Number:

Fee

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

Ranken Energy DWR 12-28

9. API Well Number:

43-047-33481

10. Field and Pool, or Wildcat:

County: Uintah

State: UT

## CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

### NOTICE OF INTENT (Submit in Duplicate)

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon                    | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing              | <input type="checkbox"/> Pull or Alter Casing |
| <input checked="" type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection       | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize  | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion        | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____                |   |

Approximate date work will start 6/14/00

### SUBSEQUENT REPORT (Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon *                 | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Well was originally proposed to drill to 3500'. Proposed new total depth is 4000'.

13.

Name & Signature: Randolph L. Coy

Title: President

Date: 6/14/00

(This space for State use only)

Approved by the  
Utah Division of  
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 6-19-00  
Initials: CHD

(See Instructions on Reverse Side)

RECEIVED

JUN 16 2000

DIVISION OF  
OIL, GAS AND MINING

(4/00)

Date: 6/19/00

By: [Signature]

**RANKEN  
ENERGY  
CORPORATION**

417 W. 18th Street, Suite 101  
Edmond, Oklahoma 73013-3663  
(405) 340-2363 • Fax (405) 340-2365

**FACSIMILE COVER SHEET**

<b>SEND TO:</b> Company Name State of UT - Div. of Oil, Gas & Mining	<b>From:</b> Randy Coy
Attention: Mr. John Baza	Date: 6-26-00
Fax Number: 801/359-3940	Phone Number: 801/538-5334

☐ Urgent      ☐ Reply ASAP      ☐ Please Comment      ☐ Please Review      ☒ For your information

Total pages, including cover sheet:

**COMMENTS:**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

If the quality of this facsimile is poor, please call JANET at the above number.

ORIGINAL TO FOLLOW VIA:

☒ First Class Mail  
☐ Federal Express  
☐ Original will NOT be sent

FORM 8

**STATE OF UTAH**  
**DIVISION OF OIL, GAS AND MINING**

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

**RANKEN ENERGY CORPORATION**

3. Address and Telephone Number:

417 W. 18th St., Ste. 101, Edmond, OK 73013-3663 405/340-2363

4. Location of Well:

Footages: 2105' FSL & 550' FWL

QQ Sec., T., R., M.: NW/4 SW/4 Sec. 28-12S-23E

5. Lease Designation and Serial Number:

Fee

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

**Ranken Energy DWR 12-28**

9. API Well Number:

**043-047-33481**

10. Field and Pool, or Wildcat:

County: Uintah

State: Utah

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**NOTICE OF INTENT**  
(Submit in Duplicate)

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon                    | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing              | <input type="checkbox"/> Pull or Alter Casing |
| <input checked="" type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection       | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize  | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion        | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____                |   |

Approximate date work will start 5.25.99

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon *                 | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Re-completions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS** (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Well was approved for additional depth to 4000'. We are now requesting to increase depth to 4400'.

13.

Name & Signature: 

Title:

**President**

Date: **6/26/00**

(This space for State use only)

**COPY SENT TO OPERATOR**

Date:

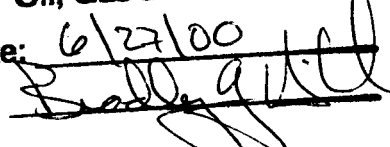
Initials:

6-29-00  
CHD

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date:

By:

6/27/00  


Well name:	<b>3-00 Ranken DWR</b> <del>121</del> / 2-28	
Operator:	<b>Ranken Energy Corporation</b>	
String type:	Production	Project ID: 43-047- <del>93480</del> 33481
Location:	Uintah Co.	

**Design parameters:**
**Collapse**

Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 137 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 1,620 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.447 psi/ft  
Calculated BHP 1,966 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 3,837 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4400	4.5	10.50	J-55	ST&C	4400	4400	3.927	91.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1966	4010	2.04	1966	4790	2.44	46	132	2.86 J

Prepared by: Bob Krueger  
Utah Dept. of Natural Resources

Phone: (801) 538-5274  
FAX: (801) 359-3940

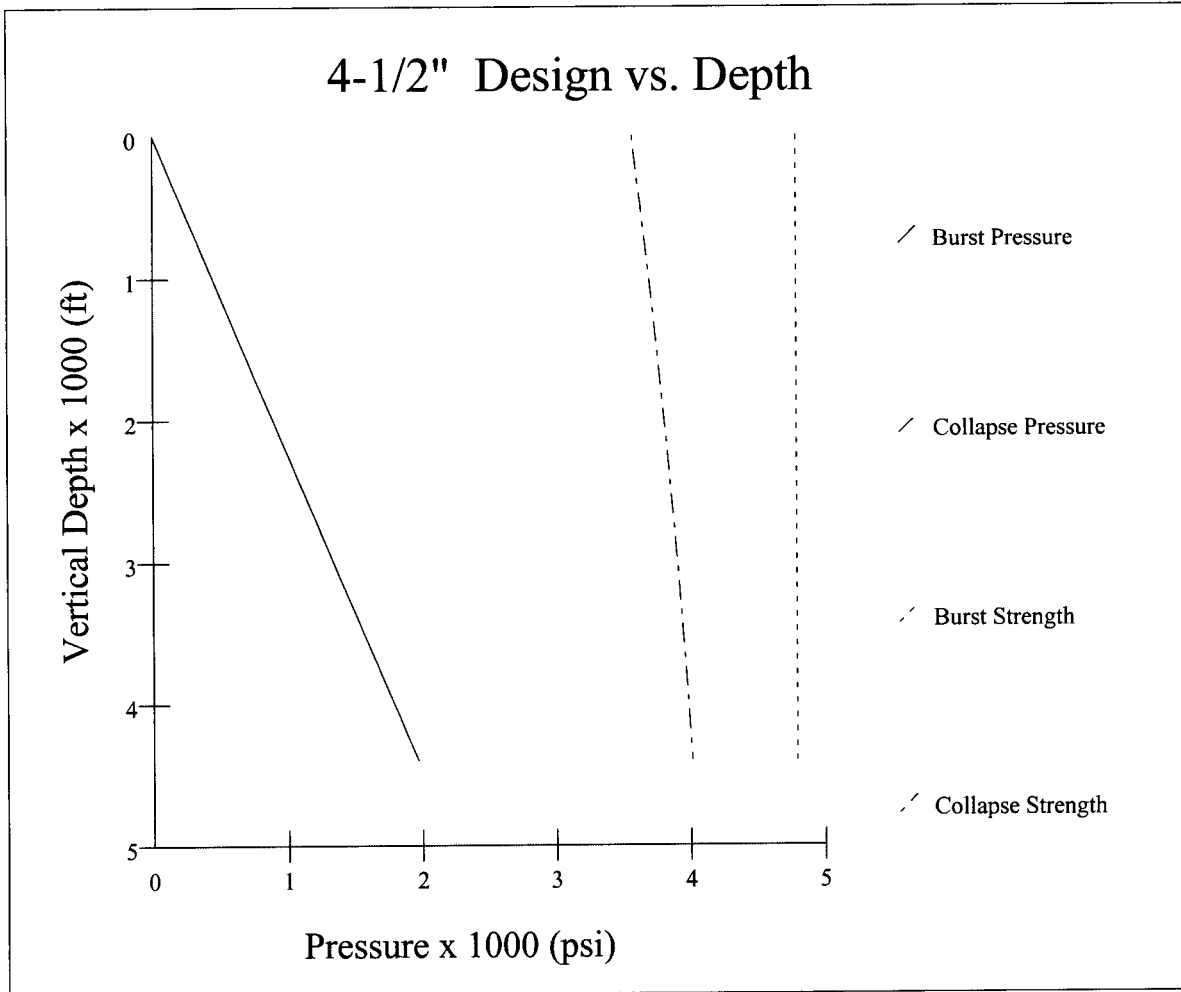
Date: June 27, 2000  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Collapse is based on a vertical depth of 4400 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes.  
Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

3-00 Ranken DWR ~~F-21~~ - Production *Casing*  
12-2-8



# \*CONFIDENTIAL\*

FORM 8

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

DIVISION OF  
OIL, GAS AND MINING

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DAT <input type="checkbox"/> Other <input type="checkbox"/>	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESTR. <input type="checkbox"/> Other <input type="checkbox"/>	7. UNIT AGREEMENT NAME
3. NAME OF OPERATOR RANKEN ENERGY CORPORATION	8. FARM OR LEASE NAME DWR
4. ADDRESS OF OPERATOR 417 W. 18th St., Ste. 101, Edmond, OK 73013-3663	9. WELL NO. 12-28
5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 2105' FSL & 550' FWL, NW/4 SW/4 At top prod. interval reported below At total depth	10. FIELD AND POOL OR WILDCAT Wildcat 11. SEC., T., R. W. OR BLOCK AND SURVEY OR AREA Section 28-12S-23E

14. API NO. 043-047-33481	DATE ISSUED 7/12/00	12. COUNTY Uintah	13. STATE UT
15. DATE SPUNDED 6/03/00	16. DATE T.D. REACHED 6/14/00	17. DATE COMPL. (Ready to prod.) 7/08/00 (Plug & A.M.)	18. ELEVATIONS (OF, BEH, AT, CR, ETC.) 5641 KB
19. ELEV. CASINGHEAD -	20. TOTAL DEPTH, MD & TVD 4000'	21. PLUG BACK T.D., MD & TVD 3908'	22. IF MULTIPLE COMPL. HOW MANY N/A
23. INTERVALS DRILLED BY ROTARY TOOLS 0' - 4000'	CABLE TOOLS -	24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) Wasatch 3756'-66'	25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS LOG Dual Induction, Neutron Density, Microlog 7-12-00	27. WAS WELL CORED YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Submit analysis) DRILL STEM TEST YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (See separate sides)
---	--

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT POLLED
8 5/8"	24#	324'	12 1/4"	230 sx Premium cement	-0-
14"		86'	17 1/2"	170 sx	-0-
4 1/2"	10.55#	3908'	7 7/8"	815 sx Prem 300 cement	-0-

29. LINER RECORD				30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	DEPTH SET (MD)	PACER SET (MD)
					2 3/8"	3750'
						3659'

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE CEMENT SQUEEZE, ETC.	
3756' - 66', 4 spf		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
		3756'-66'	750 gals HCL (7.5%)
		3756'-66'	Halliburton Delta Frac - 382 bbls
			35,080#, 20/40 sand (Ottawa)

33. PRODUCTION							
DATE FIRST PRODUCTION 7/08/00		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing				WELL STATUS (Producing or Shut-in) Producing	
DATE OF TEST 7/09/00	HOURS TESTED 18 1/2	CHOKE SIZE 26/64"	PROD'N FOR TEST PERIOD →	OIL—BBL -0-	GAS—MCF. 719	WATER—BBL 296	GAS-OIL RATIO N/A
FLOW. TUBING PRESS. 700#	CASING PRESSURE 960#	CALCULATED 24-HOUR RATE →	OIL—BBL -0-	GAS—MCF. 1,195	WATER—BBL 384	OIL GRAVITY-API (CORR.) N/A	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold	TEST WITNESSED BY
--	-------------------

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records		
SIGNED	TITLE <u>President</u>	DATE <u>7/12/00</u>

See Spaces for Additional Data on Reverse Side



This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, and all other reports should be attached and submitted with this report.

tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form. (multiple completion), so state in item 22, ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

... the details of any multiple stage cementing and the location of

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any materials used in the cementing tool. (see instruction for items 22 and 24 above).

the cementing tool.

[FEH 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.		38. <b>GEOLOGIC MARKERS</b> Wasatch 2110' Mesaverde 3812'	
Formation	Top	Bottom	Description, contents, etc.
Wasatch Mesaverde	2110' 3812'	3812'	Sand & shales: No tests Sands & shales: No tests

## BASIC WELL DATA

---

API:	4304733481	WELL STATUS:	APD
WELL NAME:	DWR 12-28	WELL TYPE:	GW
OPERATOR:	N6250	TOTAL CUM OIL:	0
ALTERNATE ADDRESS FLAG:	#	TOTAL CUM GAS:	0
CONFIDENTIAL FLAG:	C	TOTAL CUM WATER:	0
CONFIDENTIAL DATE:			
		FIELD NUMBER:	2
LEASE NUMBER:	FEE	QTR/QTR:	NWSW
CA NUMBER:		SECTION:	28
LEASE TYPE:	4	TOWNSHIP:	120S
BOND NUMBER:	135671	RANGE:	230E
BOND TYPE:	4	MERIDIAN:	S
		COUNTY:	UINTAH
INDIAN TRIBE:		ELEVATION:	5630 GR
MULTI-LEG COUNT:	0	DIRECTIONAL:	
CB METHANE FLAG:		LOCATION SURFACE WCR:	
SURF OWNER TYPE:	3	COORDS SURFACE NORTH:	4400348.00
FIELD TYPE FLAG:	E	COORDS SURFACE EAST:	640973.00
WILDCAT TAX FLAG:		COORDS BHL NORTH:	0.00
LA/PA DATE:		COORDS BHL EAST:	0.00

## WELL COMMENTS:

SURF/DWR RDCC REV:000619 PROP TD FR 3500:000627 PROP TD FR  
4000:0000717 REQ CONF ST:

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

**ENTITY ACTION FORM**

Operator: RANKEN ENERGY CORPORATION  
Address: 417 W. 18th St., Ste. 101  
Edmond, OK 73013-3663

Operator Account Number: N 6250

Phone Number: 405/340-2363

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-33481	DWR 12-28		NW SW	28	12S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	12810	6/03/00		7-26-00		
Comments: <i>000726 entity added</i> <b>CONFIDENTIAL</b>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-33480	DWR 1-21		NE NE	21	12S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	12811	5/20/00		7-26-00		
Comments: <i>000726 entity added</i> <b>CONFIDENTIAL</b>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-33482	DWR 14-16		SE SW	16	12S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	12812	4/28/00		7-26-00		
Comments: <i>Entity Added 000726</i> <b>CONFIDENTIAL</b>							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Randolph L. Coy

Name (Please Print)

Signature  
President

7/20/00

Title

Date

(8/2000)

RECEIVED

DIVISION OF  
OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

Ranken Energy Corporation

3. Address and Telephone Number: (405) 340-2363

417 W. 18th Street, Suite 101, Edmond, Oklahoma 73013-3663

4. Location of Well 2105' FSL &amp; 550' FWL

Footages:

QQ, Sec., T., R., M.: NW/4 SW/4 Section 28-12S-23E

5. Lease Designation and Serial Number:

6. If Indian, Aliottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

DWR #12-28

9. API Well Number:

043-047-33481

10. Field and Pool, or Wildcat:

Wildcat

County: Uintah

State: UT

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT  
(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

Approximate date work will start \_\_\_\_\_

SUBSEQUENT REPORT  
(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon *                 | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other _____    |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Ranken Energy Corporation hereby requests temporary approval for one year to evaporate produced water out of the existing pit that was constructed for the drilling of the well. It appears that the well is capable of producing 500 - 1,000 MCFPD w/ 150-200 BWPD. Water hauling is cost prohibitive at this time. Although not required by DOGAM, Ranken Energy Corporation did line the pit prior to drilling operations. We believe that the water production will significantly be decreased within this one year.

13.

Name & Signature: *Donald L. Goff*Title: *President*Date: *9/7/00*

(This space for State use only)

COPY SENT TO OPERATOR

Date: *10-2-00*  
Initials: *CHD*

RECEIVED

SEP 11 2000

DIVISION OF  
OIL, GAS AND MINING

(See Instructions on Reverse Side)

(4/94)



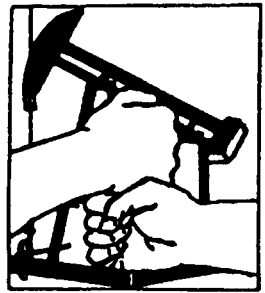




September 11, 2000

# **RANKEN ENERGY CORPORATION**

417 W. 18th Street, Suite 101  
Edmond, Oklahoma 73013-3663  
(405) 340-2363 • Fax (405) 340-2365



State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
P O Box 145801  
Salt Lake City, UT 84114-5801

**CONFIDENTIAL**

RE: DWR 12-28 - Application for  
Severance Tax Exemption

Dear Sir(s):

Enclosed please find a copy of our completed Form 8, plat map showing subject well and wells in the vicinity and a cross-section with index map depicting the location of subject well relative to the nearest producing wells. I have been advised by your office that our DWR 12-28 well has been classified as a wildcat well. A 24 hour production/flow test has been performed on this well and is indicated on Form 8.

This letter shall also serve as our application for a severance tax exemption under Section 59-5-102(2)(d) of the Utah Oil and Gas Conservation General Rules. The enclosed plat map shows there are no currently producing wells from the same geologic horizon within one mile of the subject well. Our DWR 12-28 well is currently producing from uppermost Mesaverde sands. As shown on the enclosed cross-section, these sands are not developed in the Hanging Rock unit to the north-northeast. To our knowledge the well is not located on a KGS (known geologic structure). The bottomhole pressures are estimated to be 1700 psi based upon SITP's.

Please advise if I can provide any further data that might be necessary to help support the request being made herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Randolph L. Coy". The signature is fluid and cursive.

Randolph L. Coy  
President

RLC:jr  
enc.

(utast4rc)

**RECEIVED**

SEP 14 2000

DIVISION OF  
OIL, GAS AND MINING


**\*CONFIDENTIAL\***

SEP 14 2000

FORM 8

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

DIVISION OF  
OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG				3. LEASE DESIGNATION AND SERIAL NO.	
1. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DEEP <input type="checkbox"/> OTHER <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. ACCT. <input type="checkbox"/> OTHER <input type="checkbox"/>				7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR RANKEN ENERGY CORPORATION				5. FARM OR LEASE NAME DWR	
3. ADDRESS OF OPERATOR 417 W. 18th St., Ste. 101, Edmond, OK 73013-3603				8. WELL NO. 12-28	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 2105' FSL & 550' FWL, NW/4 SW/4 At top prod. interval reported below At total depth				10. FIELD AND POOL OR WILDCAT Wildcat	
11. SEC. T. R. M., OR BLOCK AND SURVEY OR AREA Section 28-12S-23E				12. COUNTY Uintah	
13. API NO. 043-047-33481				14. DATE ISSUED 7/12/00	
15. DATE SPUN 6/03/00				16. DATE T.D. REACHED 6/14/00	
17. DATE COMPL. (Ready to prod.) 7/08/00 (Plug & Seal)				18. ELEVATIONS (OF, AER. AT, CR, ETC.) 5641 KB	
19. ELEV. CASING HEAD -				20. TOTAL DEPTH, MD & TVD 4000'	
21. PLUG BACK T.D., MD & TVD 3908'				22. IF MULTIPLE COMPL. HOW MANY N/A	
23. INTERVALS DRILLED AT 0' - 4000'				24. ROTARY TOOLS -	
25. WAS DIRECTIONAL SURVEY MADE No				26. TYPE ELECTRIC AND OTHER LOGS AND DENSITY, MICROLOG Dual Induction, Neutron, Density, Microlog	
27. CASING RECORD (Report all strings set in well)					
CASING SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)	
8 5/8"		24#		324'	
14"				86'	
4 1/2"		10 55#		3908'	
HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED	
12 1/4"		230 sx Premium cement		-0-	
17 1/2"		170 sx		-0-	
7 7/8"		815 sx Prem 300 cement		-0-	
28. LINER RECORD					
SIZE		TOP (MD)		BOTTOM (MD)	
29. TUBING RECORD					
SIZE		DEPTH SET (MD)		PACKER SET (MD)	
2 3/8"		3750'		3659'	
30. ACID, SHOT, FRACTURE CEMENT SQUEEZE ETC.					
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED			
3756'-66'		750 gals HCL (7.5%)			
3756'-66'		Halliburton Delta Frac - 382 bbls			
		35,080# 20/40 sand (Ottawa)			
31. PRODUCTION					
DATE FIRST PRODUCTION 7/08/00		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing			WELL STATUS (Producing or Shut-in) Producing
DATE OF TEST 7/09/00		HOURS TESTED 18 1/2		CHOKED SIZE 26/64"	
FLOW, TUBING PRESS. 700#		CASING PRESSURE 960#		CALCULATED 24-HOUR RATE -	
OIL—BBL -		GAS—MCF. 719		WATER—BBL 296	
OIL GRAVITY-API (COAL.) N/A		OIL—BBL -		GAS—MCF. 1,195	
WATER—BBL 384		OIL GRAVITY-API (COAL.) N/A		OIL GRAVITY-API (COAL.) N/A	
32. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold					
33. LIST OF ATTACHMENTS					
34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records					
SIGNED 		TITLE <u>President</u>		DATE <u>7/12/00</u>	

See Spaces for Additional Data on Reverse Side



# State of Utah

## DEPARTMENT OF ENVIRONMENTAL QUALITY DIVISION OF WATER QUALITY

Michael O. Leavitt  
Governor

Dianne R. Nielson, Ph.D.  
Executive Director

Don A. Ostler, P.E.  
Director

288 North 1460 West  
P.O. Box 144870  
Salt Lake City, Utah 84114-4870  
(801) 538-6146  
(801) 538-6016 Fax  
(801) 536-4414 T.D.D.  
[www.deq.state.ut.us](http://www.deq.state.ut.us) Web

**Water Quality Board**  
K.C. Shaw, P.E.  
Chairman

William R. Williams  
Vice Chairman

Robert G. Adams  
Nan Bunker

Ray M. Child, C.P.A.

John R. Cushing, Mayor

Neil K. Kochenour, M.D.

Dianne R. Nielson, Ph.D.

Ronald C. Sims, Ph.D.

Douglas E. Thompson, Mayor

J. Ann Wechsler

Don A. Ostler, P.E.  
Executive Secretary

September 21, 2000

Mr. Randolph L. Coy  
Ranken Energy Corporation  
417 W. 18<sup>th</sup> Street, Suite 101  
Edmond, OK 73013-3663

Dear Mr. Coy:

**Subject: Response to UPDES Permit Application for DWR 12-28 Gas Well in Uintah County, Utah**

In response to your permit application submittal I would like to give you some information regarding Bitter Creek. Bitter Creek is classified as a 2B (boating/wading), 3A (cold water fishery) and 4 (irrigation and stock watering). Any permit developed would be done so in order to protect these beneficial uses. Discharge of this produced water would likely require some type of treatment such as reverse osmosis (RO). RO would require a power source and satisfactory disposal of the high TDS reject water. Most of the produced water in the Uintah Basin is disposed of in lined ponds. We encourage this type of disposal, but other options are available. These options are listed below:

1. Continue trucking the brine water as presently done - no discharge permit needed.
2. Build a total containment and lined holding pond - no discharge permit required, however Division of Oil, Gas & Mining (DOGM) approval is needed.
3. Reinjection - no discharge permit required, but DOGM approval is needed.
4. Treatment and discharge of produced water to Bitter Creek - discharge permit needed.
5. Any other disposal method(s) which would meet the requirements of the State Water Pollution Control Act.

If you choose to treat and discharge, please revise the application submitted to us to include a description of the treatment system.

September 21, 2000

Page 2

Please write and let us know what you plan on doing for disposal of the produced water. Until we hear from you, your permit application will be on hold. If you have any questions regarding the options above please give me a call at (801) 538-6058.

Sincerely,

A handwritten signature in cursive script that reads "Michael D. Herkimer".

Michael D. Herkimer, Environmental Scientist  
Permits & Compliance Section

MDH:cc

cc: Gil Hunt, Division of Oil, Gas & Mining  
Ted Allen, Regional Engineer  
Joseph B. Shaffer, Tri-County Health Dept.

COY.LTR



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

MICHAEL O. LEAVITT  
*Governor*

OLENE S. WALKER  
*Lieutenant Governor*

February 20, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 4958

Karen Kuntz  
Ranken Energy Corp.  
417 West 18<sup>th</sup> Street  
Suite 101  
Edmond, Oklahoma 73013-3663

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Ms. Kuntz:

Ranken Energy Corp., as of February 2004, has nine (9) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2  
February 20, 2004  
Karen Kuntz

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

jc  
cc: John Baza  
Well File

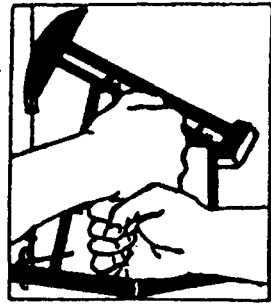
	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	DWR 15-16	43-047-33346	Fee	2 Years 8 Months
2	DWR 12-22	43-047-33345	Fee	3 Years 0 Months
3	DWR 12-28	43-047-33481	Fee	3 Years 2 Months
4	DWR 14-28	43-047-33483	Fee	3 Years 3 Months
5	DWR 16-16	43-047-33489	Fee	3 Years 3 Months
6	DWR 8-29	43-047-33487	Fee	3 Years 5 Months
7	DWR 1-21	43-047-33480	Fee	3 Years 7 Months
8	DWR 14-16	43-047-33482	Fee	3 Years 7 Months
9	DWR 12-21	43-047-33344	Fee	4 Years 1 Month

Attachment A



# **RANKEN ENERGY CORPORATION**

417 W. 18th Street, Suite 101  
Edmond, Oklahoma 73013-3663  
(405) 340-2363 • Fax (405) 340-2365



March 3, 2004

RE: Well Status of Ranken Energy Corporation Wells  
Uintah County, Utah  
Oil Springs Ranch Project

Mr. Dustin K. Doucet, Petroleum Engineer  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

**RECEIVED**

**APR 05 2004**

DIV. OF OIL, GAS & MINING

Dear Mr. Doucet:

Per our telephone discussion on this date concerning the reason why some of our wells are currently shut in on our fee leasehold and the death of my partner, please let me reiterate further. Approximately 2 years ago Ranken's largest investor/partner suddenly passed away due to an accident. He controlled 62.5% of the working interest in our project and unfortunately he had no children. His heirs are his brothers and sisters who are exceedingly older and know nothing about the oil and gas industry. His estate is currently being liquidated. Needless to say, when he passed away, no further expenditures took place in our project. Our project essentially ceased at the time of his death. Some of our wells haven't even been completed as yet. Additional zones of interest behind pipe exist in many of the wells.

We have been trying to replace this interest w/ other companies/investors for quite some time. Only in recent months, since the gas prices in the Rocky's have gained some momentum, have we been able to attract some serious consideration. We currently have some on-going dialog with seven different companies at this time. We are cautiously optimistic that a deal will be done this year, perhaps even quicker, and our project will move forward once again.

Per your request, listed below is a status report on the wells that you listed in your letter to Ranken Energy Corporation dated February 20, 2004:

1. DWR 15-16: This well was completed in the Wasatch in July 1999. New 15.5 #/ft. casing was run in the hole. A DV tool was set at 2790' and packer was set at 2717'. Top perfs are at 2803' - 13'. A plunger lift system was installed on 5-9-2000. The estimated top of cement is 700'. Current SITP is 680 PSI and SICP is 760 PSI. We

2. are planning on putting this well back on production pending the results of a short period flow test currently underway.
3. DWR 12-21: This well was completed in the Wasatch and Mesa Verde in December 1999. New 15.5 #/ft 5 1/2" casing was run in the hole. A DV tool was set at 3672'.
4. The top perms are at 2685' – 95'. The estimated top of cement is at 722'. Current SICP is 180 PSI and the SITP is 320 PSI. This well would be part of a localized compression system that may be installed.
5. DWR 12-22: This well was completed in the Mesa Verde in December 1999. New 15.5 #/ft 5 1/2" casing was run in the hole with DV tool at 2994'. The well was later drilled out horizontally in the Mesa Verde and a subsequent completion report was filed in October 2001. The well currently has a SICP of 440 PSI and a SITP of 360 PSI. This well is also part of our compression plan. In addition, this well produces about 30-40 BWPD. A disposal well is being considered in the area to not only handle this water but also produced water from other wells on our fee block.
6. DWR 12-28: This well was completed in the Wasatch in July 2000. New 4 1/2" 10.5 #/ft casing was run in the hole. The well currently has a SICP of 320 PSI and a SITP of zero. This well has a down hole positive displacement pump installed with a 6 cylinder gas engine to turn the rod string. This well will make 200-300 BWPD and 150-250 MCFGPD. However, the cost to haul water is too great to justify. The possible SWDW mentioned above would also service this well.
7. DWR 14-28: This well was completed in the Wasatch in November 2000. New 4 1/2" 11.6 #/ft casing was run in the hole. The well currently has a SICP of 10 PSI and SITP of 10 PSI. Cement was circulated to surface after pumping a total of 975 sacks of cement. The original zones that were perforated were not commercially productive. However, there are additional zones behind pipe that remain prospective and need to be tested prior to abandonment of the wells.
8. DWR 14-16: This well was completed in the Green River formation in June 2000. New 4 1/2" 10.5 #/ft casing was run in the hole and was cemented with 725 sacks of cement. Cement was circulated to surface. The well currently has a SICP of zero and a SITP of 5 PSI. Additional potential exists in the shallower formations in this well and should be tested prior to abandonment.
9. DWR 16-16: This well was drilled and completed in the Wasatch in January 2000. New 4 1/2" 10.5 #/ft casing was run in the hole and was cemented with 755 sacks of cement. Cement was circulated to surface. The well currently has 80 PSI SICP and 80 PSI SITP. Additional potential exists in the shallower formations in this well and should be tested prior to abandonment. Both this well and the DWR 14-14 could be tied into the compression facility mentioned earlier.
10. DWR 8-29: This well was drilled and completed in the Mesa Verde and Wasatch in August 2000. New 4 1/2" 10.5 #/ft casing was run in the hole and cemented with 510 sacks cement. Cement was circulated to surface. The current SICP is zero and the current SITP is also zero. The original zones that were perforated were not

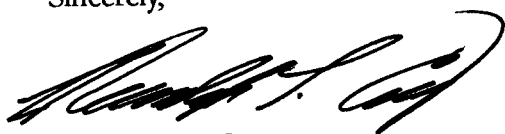
commercially productive without compression. Additional zones of interest are present behind pipe and should be tested prior to abandonment.

11. DWR 1-21: This well was drilled and completed in the Green River and Wasatch in June 2000. New 4 1/2" 10.5 #/ft casing was run in the hole and cemented with 605 sacks of cement. Cement was circulated to surface. The current SICP is 160 PSI and the current SITP is 140. This well cannot produce without the aid of compression.

As you can now see, 5 of the 9 wells listed on your report have cement to surface. The remaining 4 wells all have "produceable" pressures that either need compression help or a water disposal well. We are making progress with potential new partners and if successful, new completion work on existing wells will take place.

In summary, we respectfully request that shut in status be granted for these wells. Should you have any questions please do not hesitate to call or write. Thank you for your consideration and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Randolph L. Coy', with a large, sweeping flourish at the end.

Randolph L. Coy  
President

RLC/adb



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

May 10, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5412

Mr. Randolph L. Coy  
Ranken Energy Corporation  
417 W. 18<sup>th</sup> Street Suite 101  
Edmond, Oklahoma 73013-3663

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated February 20, 2004.

Dear Mr. Coy,

The Division of Oil, Gas and Mining (DOGM) is in receipt of your letter dated March 3, 2004 in regards to the nine (9) shut-in wells operated by Ranken Energy Corporation (Ranken). It is our understanding Ranken is actively seeking a partner or investor for these properties to share the financial burden necessary to make these wells productive.

Based upon the proposed plan to complete this project and put these properties into production this year and other information provided at this time, DOGM approves the nine (9) wells for extended shut-in until January 1, 2005. However, in the future it will be necessary to address all requirements described in the DOGM February 20, 2004 correspondence before these properties will be considered for any additional extended SI/TA status.

For reference, Attachment A lists the wells subject to this request. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet  
Petroleum Engineer

cc Well File

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	DWR 15-16	43-047-33346	Fee	2 Years 8 Months
2	DWR 12-22	43-047-33345	Fee	3 Years 0 Months
3	DWR 12-28	43-047-33481	Fee	3 Years 2 Months
4	DWR 14-28	43-047-33483	Fee	3 Years 3 Months
5	DWR 16-16	43-047-33489	Fee	3 Years 3 Months
6	DWR 8-29	43-047-33487	Fee	3 Years 5 Months
7	DWR 1-21	43-047-33480	Fee	3 Years 7 Months
8	DWR 14-16	43-047-33482	Fee	3 Years 7 Months
9	DWR 12-21	43-047-33344	Fee	4 Years 1 Month

Attachment A

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: SEE ATTACHED
2. NAME OF OPERATOR: MAK-J ENERGY PARTNERS, LTD		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SEE ATTACH
3. ADDRESS OF OPERATOR: 370 17TH ST STE 2710 CITY DENVER STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: OIL SPRINGS
PHONE NUMBER: (303) 339-5871		8. WELL NAME and NUMBER: SEE ATTACHED
4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED LIST		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:
		COUNTY: UTAH
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EFFECTIVE DATE: August 23, 2004

OLD OPERATOR:

RANKEN ENERGY CORP. N 6250  
417 W. 18TH STREET SUITE  
EDMOND, OKLAHOMA 73013-3663  
405-340-2363

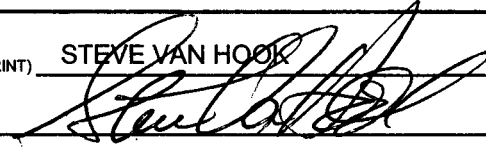
NEW OPERATOR:

MAK-J ENERGY PARTNERS, LTD N 2670  
370 17TH STREET, SUITE 2710  
DENVER, CO 80202  
303-468-0090

PLEASE SEE ATTACHED WELL LIST.

State/fee Bond # SLCPPDX02546

RANDOLPH COY  
PRESIDENT  
RANKEN ENERGY CORP.

NAME (PLEASE PRINT) STEVE VAN HOOK	TITLE VICE PRESIDENT
SIGNATURE 	DATE 8/23/2004

(This space for State use only)

RECEIVED

AUG 25 2004

DIV. OF OIL, GAS & MINING

	WELL NAME	API	STATUS	1/4 1/4	SEC.	TWN	RANGE		CO
			COMPLETED. NO SURFACE EQUIPMENT. SHUT IN	NENE	21	12S	23E	SLB&R	UINTAH
1	DWR #1-21	43-047-33480	GAS EQUIPMENT ON LOCATION	SWNW	28	12S	23E	SLB&R	UINTAH
2	DWR #5-28	43-047-33343	COMPLETED. NO SURFACE EQUIPMENT. SHUT IN	SENE	29	12S	23E	SLB&R	UINTAH
3	DWR #8-29	43-047-33487	EQUIPMENT ON LOCATION SHUT IN	NWSW	21	12S	23E	SLB&R	UINTAH
4	DWR #12-21	43-04-33344	EQUIPMENT ON LOCATION SHUT IN	NWSW	22	12S	23E	SLB&R	UINTAH
5	DWR #12-22	43-047-33345	EQUIPMENT ON LOCATION SHUT IN	NWSW	28	12S	23E	SLB&R	UINTAH
6	DWR #12-28	43-047-33481	COMPLETED. NO SURFACE EQUIPMENT. SHUT IN	SESW	16	12S	23E	SLB&R	UINTAH
7	DWR #14-16	43-047-33482	COMPLETED. NO SURFACE EQUIPMENT. SHUT IN	SESW	28	12S	23E	SLB&R	UINTAH
8	DWR #14-28	43-047-33483	EQUIPMENT ON LOCATION SHUT IN	SWSE	16	12S	23E	SLB&R	UINTAH
9	DWR #15-16	43-047-33346	COMPLETED. NO SURFACE EQUIPMENT. SHUT IN	SESE	16	12S	23E	SLB&R	UINTAH
10	DWR #16-16	43-047-33489							



# MAKJ ENERGY

370 17<sup>th</sup> Street, Suite 2710  
Denver, Colorado, 80202

303-468-0090 VOICE  
303-468-0092 FAX

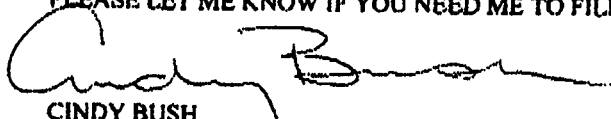
STATE OF UTAH  
EARLENE

MAK-J ENERGY PARTNERS LEFT OFF OR FORM 9 OPERATOR CHANGE TWO WELLS THAT  
THE LOCATION WAS BUILT.

PLEASE ADD TO YOUR LIST.

DWR #2-21 - 43-047-33484  
DWR #3-21 - 43-047-33485

PLEASE LET ME KNOW IF YOU NEED ME TO FILL OUT ANOTHER SUNDRY.



CINDY BUSH  
OPERATIONS COORDINATOR

APPROVED

9/14/04

*ER*

Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

RECEIVED

SEP 02 2004

DIV. OF OIL, GAS & MINING

## OPERATOR CHANGE WORKSHEET

## ROUTING

1. GLH

2. CDW

3. FILE

## X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

8/23/2004

**FROM:** (Old Operator):

N6250-Ranken Energy Corp  
417 W 18th St, Suite 101  
Edmond, OK 73013-3663

Phone: 1-(405) 340-2363

**TO:** ( New Operator):

N2670-MAK-J Energy Partners, LTD  
370 17th St, Suite 2710  
Denver, CO 80202

Phone: 1-(303) 468-0090

CA No.

Unit:

**WELL(S)**

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
DWR 5-28	28	120S	230E	4304733343	12605	Fee	GW	P
DWR 12-21	21	120S	230E	4304733344	12606	Fee	GW	S
DWR 12-22	22	120S	230E	4304733345	12640	Fee	GW	S
DWR 15-16	16	120S	230E	4304733346	12641	Fee	GW	S
DWR 1-21	21	120S	230E	4304733480	12811	Fee	GW	S
DWR 12-28	28	120S	230E	4304733481	12810	Fee	GW	S
DWR 14-16	16	120S	230E	4304733482	12812	Fee	GW	S
DWR 14-28	28	120S	230E	4304733483	12813	Fee	GW	S
DWR 8-29	29	120S	230E	4304733487	12815	Fee	GW	S
DWR 16-16	16	120S	230E	4304733489	12814	Fee	GW	S
DWR 2-21	21	120S	230E	4304733484		Fee	GW	LA TA
DWR 3-21	21	120S	230E	4304733485		Fee	GW	LA

## OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/25/2004
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/25/2004 & 9/2/2004
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/30/2004
- Is the new operator registered in the State of Utah: YES Business Number: 5690747-0181
- If **NO**, the operator was contacted on:

6a. (R649-9-2) Waste Management Plan has been received on:

To Follow

6b. Inspections of LA PA state/fee well sites complete on:

8/31/2004

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: 8/31/2004 & 9/14/2004
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 8/31/2004 & 9/14/2004
3. Bond information entered in RBDMS on: 8/31/2004 & 9/14/2004
4. Fee/State wells attached to bond in RBDMS on: 8/31/2004 & 9/14/2004
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: n/a

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: n/a

**FEE AND STATE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number SLCPPDX02546
2. The **FORMER** operator has requested a release of liability from their bond on: 8/24/2004  
The Division sent response by letter on: 9/1/2004

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 8/31/2004 & 9/14/2004

**COMMENTS:**

**Two LA wells had locations built by Ranken; the DWR 2-21 had surface casing set.**

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: MAK-J ENERGY OPERATING COMPANY, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17TH STREET, STE 271 CITY DENVER STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 339-5871		8. WELL NAME and NUMBER: DWR #12-28
10. FIELD AND POOL, OR WILDCAT: WILDCAT		9. API NUMBER: 4304733481

4. LOCATION OF WELL FOOTAGES AT SURFACE: 2105' FSL & 550' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 23E	COUNTY: UINTAH STATE: UTAH
--	-------------------------------

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>EXTEND SI PERIOD</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MAK-J ENERGY RESPECTFULLY REQUEST EXTENDED SHUT IN FOR THE ABOVE MENTIONED WELL UNTIL DECEMBER 31, 2005.

COPY SENT TO OPERATOR  
DATE: 4-18-05  
INITIALS: CHD

NAME (PLEASE PRINT) CINDY BUSH	TITLE OPERATIONS COORDINATOR
SIGNATURE <i>Cindy Bush</i>	DATE 12-14-04

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 4/13/05  
BY: *[Signature]*  
\* See Attached letter dated April 13, 2005

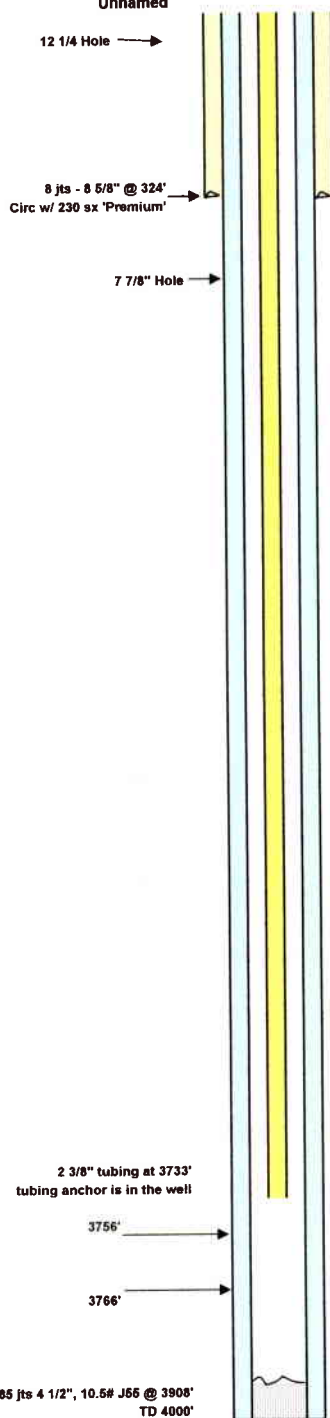
RECEIVED  
DEC 16 2004

DIV. OF OIL, GAS & MINING

WELL NAME: DWR 12-28  
2106' FSL & 550' FWL  
LOCATION: Sec 28-12S-23E  
FIELD: Unnamed

GL: 5630'  
KB: 5641'  
API NO: 430-4733-481  
Fed Lse No:  
PBTD: 2000'  
TD: 3853'

Surveys:	
Degrees	Depth Ft
11/4	505'
2	1008'
1	1280'
1	1898'
11/4	2316'
3/4	2784'
1	3348'



#### WELL HISTORY

Spudded 12 1/4" hole 6/4/00. Drilled 12 1/4" hole w/ air rig and encountered a water flow at 106'. Had to move air rig off and wait on rotary rig to drill surface hole. Drilled to 324'. Ran 8 5/8", 24# casing and landed at 324'. Cemented with 230 sks Premium Cement containing 3% CaCl & 1/4 #/sk Celloflake. Drilled 7 7/8" hole to TD of 4000' with no lost circulation or problems.

Mud log shows: 1948' - 1973': 18 units before - increase to 35, 2344' - 2366': 7 units before - increasing to 78 units, 2844' - 2885': 16 units before - increasing to 168 units, 2916' - 2920': 20 units before - increasing to 200 units, 2943' - 2953': 1 unit before - increasing to 159 units, 2980' - 2987': 10 units before - increasing to 110 units, 3655' - 3666': 28 units before - increasing to 48 units, 3762' - 3776': 18 units before - increasing to 1092 units, 3786' - 3800': 696 units before - increasing to 1322 units, 3813' - 3835': 387 units before - increasing to 1619 units, 3855' - 3873': 257 units before - increasing to 493 units..

Ran 92 joints 4 1/2", 10.5#/ft J55 casing. Landed at 3908'. Cemented with 815 sacks of Premium 300 cement w/ 1/4#/sk Ploy-E-Flake, 3/10 of 1% CFR-3, 5/10 of 1% Halad 9, 2% gel, 2% microbond & 2/10 of 1% Super CBL mixed at 14.5#/gal. Circulated 3 bbls of cement to surface.

Perforated Wasatch Interval from 3756' - 3766', 4 JSPF. Acidized w/ 760 gallons 7 1/2% acid. Some gas after swabbing and recovered water above and beyond load water. Frac the interval with 20# Delta and 35,080# 20/40 sand. The well had an IP (7/10/2000) somewhere in the neighborhood of 1,195 mcfpd. By September 1st the rate had fallen to 158 mcfpd. The report indicates that soap sticks were being dropped as early as July 25th indicating the well was beginning to load up in only 15 days. The report does not specifically state what the water rate was. Best guess is 15 bbl/hr. The well produced very little gas after September 1st even after installing a PC pump on the well and pumping it. The well is currently shut in.

Prepared by:

TSM

Date:

12/7/2004

December 7, 2004

Dustin K. Doucet  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining

Re: Request for Extended Shut-in

RECEIVED  
DEC 16 2004  
DIV. OF OIL, GAS & MINING

Dear Mr. Doucet,

Mak-J Energy Operating Company, LLC recently purchased certain oil and gas assets from Ranken Energy Corp., Edmond, Oklahoma. These assets include 10 wells and associated equipment generally located in Sections 16 – 28, T12S-R22E, Uintah County. The wells are located on lands owned by the Division of Wildlife. One (1) of the ten wells is currently producing. Mak-J officially took over operations on August 1<sup>st</sup>, 2004.

This letter is in reference to your letter to Ranken Energy dated May 10, 2004 granting extended shut-in for nine wells until January 1, 2005. Enclosed are 9 Sundry Notices requesting continued shut-in status for these wells. Since July of this year Mak-J has amassed approximately 37,000 gross acres in and around these properties. We currently have four Applications for Permit to Drill pending with the Bureau of Land Management, Vernal. It is our intent to be extremely active in this area and hopefully build it into a core area for this company. We are currently working the regional geology and reviewing well histories in an attempt to learn these properties in greater detail. Based upon our current studies our plans for the property are as follows:

1. Convert the DWR #12-28 (API #43-047-33481) into a salt water disposal well
2. Re-complete, open new pay, and fracture stimulate the DWR #12-21 (API #43-047-33344)

In order to make the wells in this area economic to operate it is essential one finds a cheaper way to dispose of produced water. Currently, produced water is being trucked to Ace Disposal, approximately 10 miles west of Vernal at a cost of approximately \$2.00 per barrel. These wells cannot support this expense. Submittal of our application for an underground water disposal permit is approximately 2 weeks away. Because these lands are located in "Indian Country" the permitting process is administered by Region 8 of the Environmental Protection Agency. The filing process and paper work is long and tedious.

I am sure you are well aware activity in the basin is at an all time high. The recent Federal lease sale is proof of this. The heightened activity is due primarily to the success operators are experiencing drilling and completing Mesaverde wells. In the past most completion attempts have been in the shallower Wasatch Formation. The DWR #12-21 well is completed both in the Mesaverde and the Wasatch. However, coals in the Mesaverde interval were

perforated not the sands. It is Mak-J's intent to cement squeeze the existing perforated intervals in both the Mesaverde and Wasatch Formations and then perforate sands within the Mesaverde group and fracture stimulate. It is anticipated that 4 separate fracture treatments will be done on this well. Due to the remote nature of the well in addition to the competitive nature of securing services (pump trucks, pulling units, consultants) it is our intent to perform this operation as part of our larger drilling/completion program. According to the BLM we should be receiving approved APD's sometime around April of next year.

Because of the aforementioned Mak-J is requesting extended shut-in of the nine wells until December 31, 2005.

Enclosed are wellbore diagrams of the nine wells. In every instance new casing was run and cemented in the well. It is highly unlikely in just 5 years time that any of the casings has failed. Especially in light of the fact most primary cement work involved the pumping of two stages of cement using DV tools to assure high cement lift. In fact 7 of the 9 wells circulated cement to surface. To ensure casing integrity Mak-J proposes to monitor and record surface pressures, both tubing and casing, on a quarterly basis. The wells have been shut in long enough that any variations in surface pressures from quarter to quarter may indicate a potential problem. If that is the case Mak-J will expedite a rig to location and verify integrity or lack thereof. In the case of the latter and after approval is granted by the State, operations will be immediately undertaken to either cure the problem or abandon the well.

Again, Mak-J Operating Company, LLC respectfully requests continued shut-in status be granted to these wells until December 31, 2005. If you have any questions in regards to the above matters please do not hesitate and contact me at (303) 339-5873.

Sincerely,



Todd S. McDonald  
Vice President



RECEIVED  
JAN 24 2005  
DIV. OF OIL, GAS & MINING

January 17, 2005

Clinton Dworshak  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Re: Request for Extended Shut-in

Dear Mr. Dworshak,

This is a follow up letter to our late December phone discussion regarding the requested extended shut-in on our recently purchased Ranken Energy wells in Uintah County, Utah. Since our talk Mak-J Energy has collected tubing and casing pressures on all of the wells, has performed a casing integrity test on the DWR #12-28, and took the preliminary steps to convert the DWR #12-28 well into a produced water disposal well. Pressures were recorded on December 20<sup>th</sup> and the results are as follows:

	<u>Tubing</u>	<u>Casing</u>
<del>DWR #14-28</del>	285 psi	285 psi
DWR #12-21	165 psi	? (casing valve is half buried in frozen dirt, unable to free up)
DWR #12-22	280 psi	415 psi
DWR #14-16	0 psi	0 psi
DWR #15-16	760 psi	760 psi
DWR #16-16	80 psi	80 psi
DWR #1-21	150 psi	150 psi
DWR #5-28	producing	
DWR #12-28	integrity test performed	

As mentioned in my earlier letter, tubing and casing pressures will be monitored and recorded on a quarterly basis. Mak-J Energy believes quarterly monitoring of wellhead pressures is an effective tool to verify casing integrity. Most casing failures are due to corrosive waters coming into contact with un-cemented pipe. All of the wells in the field, during the cementing of each production string, circulated cement to surface. Indicating, in all likelihood, the protection of the pipe is good. If a casing leak did occur one would think the casing would fill with water and both the tubing and casing pressure would go to zero. Initial reservoir pressure of these wells is normal or slightly below normal pressures (< 0.433 psi/ft). Although the DWR #14-16 has no pressure on the tubing and/or casing, in this



MAK-J Energy Operating Company, LLC  
370 17<sup>TH</sup> Street, Suite 2710  
Denver, Colorado, 80202

303-468-0090 VOICE  
303-468-0092 FAX

instance, I do believe the well has casing integrity. This well is perforated near the surface (620' – 670') in the Green River Formation. This interval tested wet and after 4 days of being shut-in on initial completion, with a packer in the hole, the tubing registered 0 psi.

Mak-J Energy plans to re-complete the DWR #12-21 well. Mak-J Energy has filed for four (4) drilling permits in the immediate area. We also began staking an additional 16 on January 13<sup>th</sup>. It is anticipated that drilling will occur sometime in July with completion operations taking place in August. Mak-J proposes to re-complete the DWR #12-21 in the Mesaverde Formation in August / September of this year when services are in the immediate area.

Mak-J Energy performed the necessary pump in tests on the DWR #12-28 to convert it to a salt water disposal well. It is imperative that a cheaper way to dispose of water in this area be found. Unfortunately, this well proved to have to low of permeability in the interval chosen to dispose of water into. Pressures were exceedingly high at low injection rates and the conversion of this well has been canceled. Another candidate will have to be chosen. Again, this will take place this summer. A casing integrity test however was performed on this well. The casing was tested to 2,550 psi and held for 30 minutes with 6 psi of falloff (see enclosed job log).

Again, Mak-J Operating Company, LLC respectfully requests continued shut-in status be granted to these wells until December 31, 2005. If you have any questions in regards to the above matters please do not hesitate and contact me at (303) 339-5873.

---

Sincerely,

A handwritten signature in black ink, appearing to read 'Todd S. McDonald'.

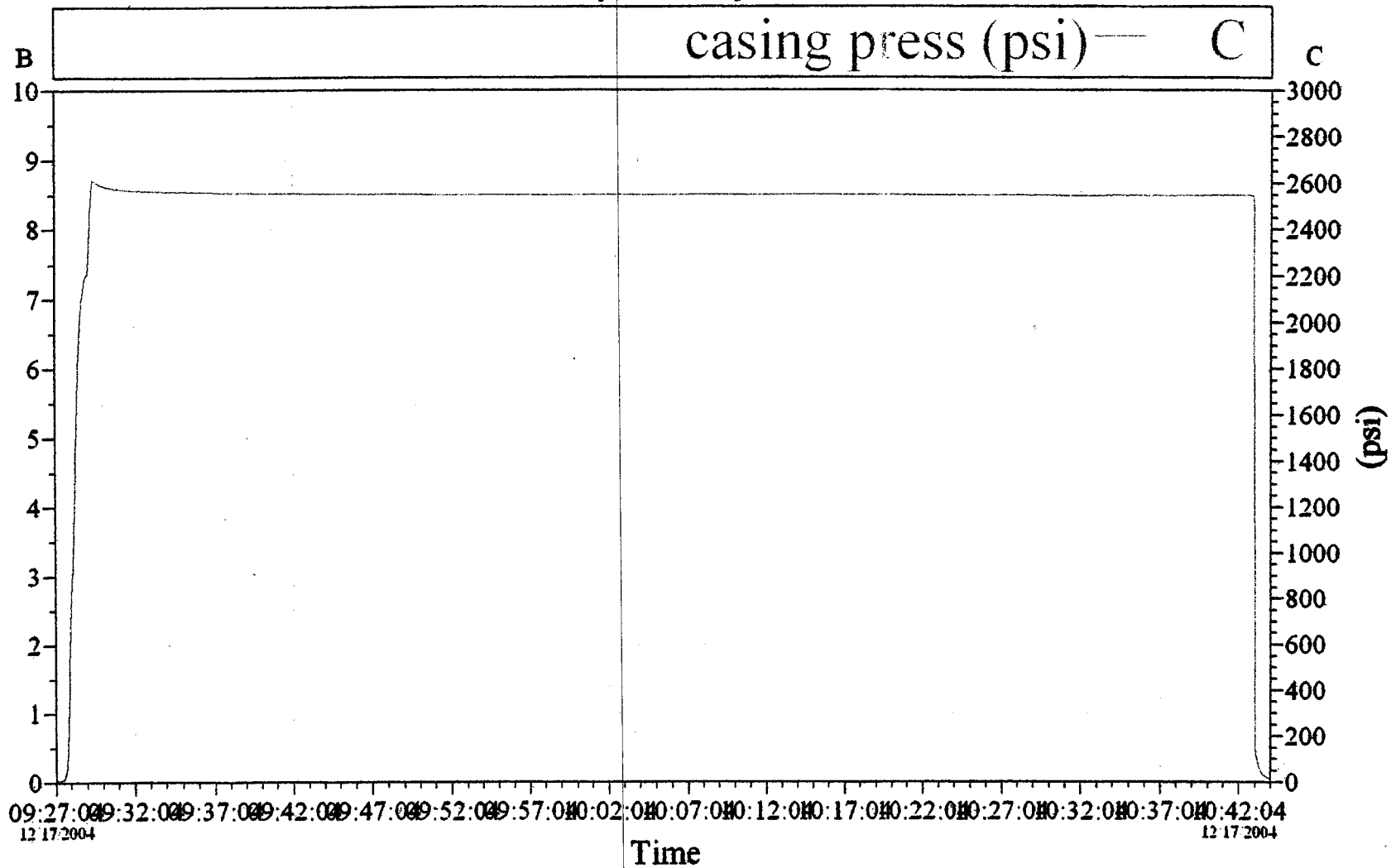
Todd S. McDonald  
Vice President

# HALLIBURTON JOB LOG

REGION NORTH AMERICA		NWA / COUNTRY ROCKY MOUNTAIN / USA		ET # 3453682	TICKET DATE December 17, 2004
MBU ID / EMPL # VE-0501 / 121622		H.E.S. EMPLOYEE NAME M. CURTIS / 121622		BDA / STATE UTAH	COUNTY UINTAH
LOCATION VERNAL UT.		COMPANY MAK-J-ENERGY		PSL DEPARTMENT PRODUCTION ENHANCMENT	
TICKET AMOUNT \$0.00		WELL TYPE 02-Gas		WELL CATEGORY 01-Development	
WELL LOCATION McCOOK RIDGE		DEPARTMENT 5005		API/UWI # 430-4733-481	
LEASE DWR		WELL # 12-28		JOB PURPOSE CODE 0	
		SEC / TWP / RNG 28-12 S.-23 E.			

Chart No.	Time	Rate (BPM)	Volume BBL	Pmps		Press. (PSI)		Job Description / Remarks
				T	C	Trg	Csg	
	0200							CALLED OUT
	0530							ON LOCATION
	0805							PRE RIG UP MEETING
	0810							RIG UP
	0910							SAFETY MEETING
	0921	0.0	0			6,000		PRIME & TEST
	0927	0.5	1				2,611	TEST CASING
	0957	0.0	1				2,549	30 MIN. WAIT
	1044	0.0	1				2,543	BLEAD PRESSUSE OFF
	1111	0.2	2			150		START TEST
	1132	0.2	9			250		RATE & PRESSURE
	1145	0.2	11			268		RATE & PRESSURE
	1151	0.4	13			297		CHANGE RATE
	1200	0.4	17			339		CHANGE RATE
	1211	0.8	22			446		CHANGE RATE
	1223	1.0	32			633		CHANGE RATE
	1236	1.5	45			918		CHANGE RATE
	1249	0.2	66			1,379		CHANGE RATE
	1300	2.5	86			1,828		CHANGE RATE
	1310	3.0	115			2,432		CHANGE RATE
	1321	3.4	150			2,994		CHANGE RATE
	1337	3.5	202			3,307		CHANGE RATE
	1349	4.0	241			3,725		CHANGE RATE
	1400	5.0	287			4,473		CHANGE RATE
	1412	5.3	346			4,757		CHANGE RATE
	1419	0.0	384			2,957		SHUT DOWN & ISIP
	1424	0.0	384			2,400		5 MIN.
	1429	0.0	384					10 MIN.
	1434	0.0	384					15 MIN.
								SUMMARY
						HHP 624		FG. 0.00
						AVG RT. .2-5.3	BPM	MAX RT. 5.3 BPM
						AVG PRESS. 3,500	PSI	MAX PRESS. 5,000 PSI
						TOTAL LOAD 16,145	GAL	384.4 BBL
						TOTAL PROPPANT 0	LBS	0 SKS.

*Bryce's Graph*



Customer: MAC -J- ENERGY  
Well Description: DWR #12-28

Job Date: 17-DECEMBER-2004  
UWI: 430-4733-481

Ticket #: 3453682

StimWin v4.6.0  
17-Dec-04 11:38



**State of Utah**

**Department of  
Natural Resources**

**MICHAEL R. STYLER**  
*Executive Director*

**Division of  
Oil, Gas & Mining**

**MARY ANN WRIGHT**  
*Acting Division Director*

**JON M. HUNTSMAN, JR.**  
*Governor*

**GARY R. HERBERT**  
*Lieutenant Governor*

April 13, 2005

Mak-J Energy Operating Company, LLC  
Attn: Todd S. McDonald  
370 17<sup>th</sup> Street, Suite 271  
Denver, CO 80202

Re: Approval for Extension of Shut-in or Temporarily Abandoned Status for Wells  
on Fee or State Leases

Dear Mr. McDonald,

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letters dated December 7, 2004 (received by the Division on December 16, 2004) and January 17, 2005 (received by the Division on January 24, 2005) in regards to the ten (10) shut-in or operation suspended wells operated by Mak-J Energy Operating Company, LLC (Mak-J). The Division understands that Mak-J intends to recompleat 1 well immediately (Sundry Notice of Intent approved April 1, 2005 for the DWR # 12-21 well) and intends to evaluate the other 9 wells for future potential based on results of this recompleat and other wells that are scheduled to be drilled this summer.

Mak-J has provided explanations of integrity and will continue monitoring pressures on a quarterly basis to ensure continued integrity. All wells appear to have stable pressures and cement circulated to or near surface. If there is a change in pressures, Mak-J will do a casing integrity test and make any repairs necessary to restore integrity.

Based on the submitted information and plan of action, the Division approves your request for extended SI/TA for the 10 SI/TA wells on Fee leases (see attachment A) until January 1, 2006. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

**Dustin Doucet**  
Petroleum Engineer

## ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	DWR 15-16	43-047-33346	Fee	3 Years 8 Months
2	DWR 12-22	43-047-33345	Fee	4 Years 0 Months
3	DWR 12-28	43-047-33481	Fee	4 Years 2 Months
4	DWR 14-28	43-047-33483	Fee	4 Years 3 Months
5	DWR 16-16	43-047-33489	Fee	4 Years 3 Months
6	DWR 8-29	43-047-33487	Fee	4 Years 5 Months
7	DWR 1-21	43-047-33480	Fee	4 Years 7 Months
8	DWR 14-16	43-047-33482	Fee	4 Years 7 Months
9	DWR 12-21	43-047-33344	Fee	5 Years 1 Month
10	DWR 2-21	43-047-33484	Fee	4 Years 10 Months

MAK-J ENERGY																		
Tubing & Casing Pressures of SI Wells																		
Well #	12-28		<del>T4-28</del>		12-21		12-22		14-16		15-16		16-16		1-21		8-29	
Date	Tbg#	Csg#	Tbg#	Csg#	Tbg#	Csg#	Tbg#	Csg#	Tbg#	Csg#	Tbg#	Csg#	Tbg#	Csg#	Tbg#	Csg#	Tbg#	Csg#
3/1/04	0	320	10	10	320	180	360	440	5	0	680	760	80	80	140	160	0	0
12/6/04	0	360	285	285	165	185	280	415	0	0	760	760	80	80	150	150	0	0
3/19/05	260	260	285	285	260	185	280	415	0	0	760	760	80	80	150	150	0	0



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 350-5719		8. WELL NAME and NUMBER: DWR 12-28
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2105' FSL - 550' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 23E S		9. API NUMBER: 4304733481
COUNTY: Uintah STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Oil Springs

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Name/Number</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Change.</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well Name Change From: DWR 12-28

Well Name Change To: DWR 12-23-13-28

Utah State Bond #RLB0008031  
Operator No. N2750

NAME (PLEASE PRINT) <u>Evette Bissett</u>	TITLE <u>Regulatory Compliance Assistnat</u>
SIGNATURE <u><i>Evette Bissett</i></u>	DATE <u>8/30/2006</u>

(This space for State use only)

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

ROUTING	
1. DJJ	
2. CDW	

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

**Operator Name Change**

**Merger**

The operator of the well(s) listed below has changed, effective:

**8/15/2006**

<b>FROM: (Old Operator):</b> N2670-Mak-J Energy Operating, LLC 370 17th St, Suite 2710 Denver, CO 80202 Phone: 1-(303) 339-5871	<b>TO: ( New Operator):</b> N2750-Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202 Phone: 1-(303) 350-5102
---	--

**CA No.**

**Unit:**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
DWR 12-23-12-28	28	120S	230E	4304733343	12605	Fee	GW	P
DWR 12-23-13-21	21	120S	230E	4304733344	12606	Fee	GW	P
DWR 12-23-13-22	22	120S	230E	4304733345	12640	Fee	GW	S
DWR 12-23-34-16	16	120S	230E	4304733346	12641	Fee	GW	S
DWR 12-23-41-21	21	120S	230E	4304733480	12811	Fee	GW	S
DWR 12-23-13-28	28	120S	230E	4304733481	12810	Fee	GW	S
DWR 12-23-24-16	16	120S	230E	4304733482	12812	Fee	GW	S
DWR 12-23-24-28	28	120S	230E	4304733483	12813	Fee	GW	S
DWR 12-23-31-21	21	120S	230E	4304733484	14411	Fee	GW	OPS
DWR 12-23-42-29	29	120S	230E	4304733487	12815	Fee	GW	S
DWR 12-23-44-16	16	120S	230E	4304733489	12814	Fee	GW	S

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/11/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/11/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/22/2005
- Is the new operator registered in the State of Utah: YES Business Number: 5771233-0161
- 5a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: ok

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 10/11/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/11/2006
- Bond information entered in RBDMS on: 10/11/2006
- Fee/State wells attached to bond in RBDMS on: 10/11/2006
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**FEE & STATE WELL(S) BOND VERIFICATION:**

- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0008031
- The **FORMER** operator has requested a release of liability from their bond on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/11/2006

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

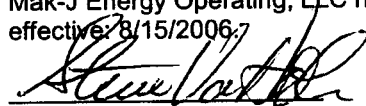
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: MAK-J ENERGY OPERATING COMPANY, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17TH STREET CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2105 FSL, 550 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 23E S		8. WELL NAME and NUMBER: DWR 12-28 12-23-13-28 9. API NUMBER: 4304733481 10. FIELD AND POOL, OR WILDCAT: OIL SPRINGS
		PHONE NUMBER: (303) 339-5871
		COUNTY: Uintah STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

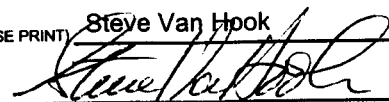
Mak-J Energy Operating, LLC has sold its interest in the above referenced well to Enduring Resources, LLC effective 8/15/2006.

  
Steve Van Hook, Vice President  
Mak-J Energy Operating, LLC (N2670)  
370 17th Street, Suite 2710  
Denver, CO 80202

  
Date 8/15/06

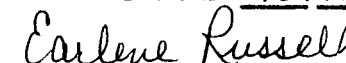
  
Alex B. Campbell, Vice President  
Enduring Resources, LLC  
475 17th Street, Suite 1500  
Denver, CO 80202

  
Date 08/15/06

NAME (PLEASE PRINT) Steve Van Hook	TITLE Vice President
SIGNATURE 	DATE 8/15/2006

(This space for State use only)

APPROVED 10/11/06

  
Earlene Russell  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

OCT 11 2006

DIV. OF OIL, GAS & MINING

May 20, 2008

Sent via Certified Mail

Enduring Resources, LLC  
Attn: Alex Campbell  
475 17<sup>th</sup> Street, Suite 1500  
Denver, CO 80202

The Houston Exploration Company  
1100 Louisiana, Suite 2000  
Houston, TX 77002-5215

Re: Notice of Lease Termination and Demand for Release  
Oil and Gas Lease dated March 30, 1999, covering 8060.10 acres, more or less,  
Township 12 South, Range 23 East and Township 13 South, Range 23 East,  
Uintah County, Utah (copy enclosed)

Gentlemen:

Pursuant to my telephone conversation with Alex Campbell on May 13, 2008, we wish to inform you that the subject oil and gas lease ("Lease") has terminated for your failure to comply with provision 7 of said Lease. Specifically, your drilling rig was released on March 5, 2007, at 10:00 pm from your DWR 12-23-31-21 well location according to the information furnished by your office. As a result of your cessation of operations lasting more than one hundred eighty (180) consecutive days, said Lease terminated as to all lands and depths except those producing from the Proration Units (as defined in said Lease) for the DWR #5-28 well and the DWR #12-21 well, on or about September 2, 2007.

Also, our records show that we have not received any shut-in payments as provided for in provision 9 of said Lease. This provision clearly states, "...Should such shut-in royalty payments not be made in a timely manner as provided for above, then, in that event, it shall be considered for all purposes that there is no production of gas from any such well or wells and, unless this Lease is being maintained by any other preservative provision hereof, this Lease shall terminate automatically at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all of its interest in and to this Lease as provided in Section 17...." For your information, we enclose Exhibit "B" from the Assignment, Conveyance and Bill of Sale of said Lease unto Enduring Resources, LLC, et al, showing the "shut-in" status of numerous wells on the leased premises.

RECEIVED

MAY 23 2008

DIV. OF OIL, GAS & MINING

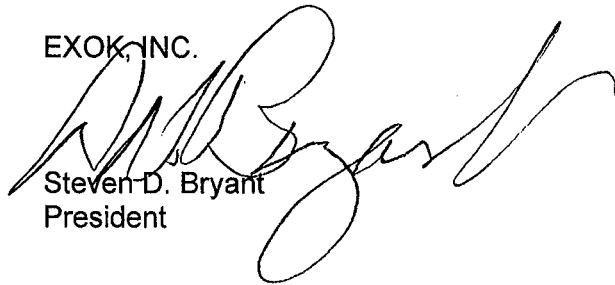
Further, since your acquisition of the lease in August of 2006, we have not received any of the data and information required in items A, B, C, and E of provision 15. Notifications Required of said Lease. Please furnish all required data and information immediately.

If within thirty (30) days from the date hereof we do not receive a fully executed, recordable release and plat showing the proration units designated by you in accordance with Section 17 of said Lease, we will pursue all remedies available to us in the appropriate court of law, including without limitation, all our costs and expenses (including attorneys fees and expenses) as set forth in provision 18. Indemnification of said Lease.

If you have any questions or comments, I can be reached at 405.627.6025.

Sincerely,

EXOK, INC.

A handwritten signature in black ink, appearing to read "S.D. Bryant", written over the typed name and title.

Steven D. Bryant  
President

SDB:mkb  
Enclosures

cc: Utah Royalty Owners Association  
Box 192  
Roosevelt, UT 84066

✓ State of Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

Exhibit "B"

Attached to and made a part of that certain Assignment, Conveyance and Bill of Sale dated August 15, 2006 by and between MAK-J Energy Partners, Ltd, as Assignor and Enduring Resources, LLC, etal, as Assignee.

<u>Well</u>	<u>API No.</u>	<u>Location</u>	<u>Status</u>
<u>Oil Springs Area</u>			
	DWR 12-23-13-28		
DWR 1-21	43-047-33480-00-00	NENE of Section 21-T12S-R23E	Shut in
DWR 2-21	43-047-33484-00-00	NWNE of Section 21-T12S-R23E	Surface pipe only-APD rescinded
DWR 3-21	43-047-33485-00-00	NENW of Section 21-T12S-R23E	Location built-APD rescinded
DWR 4-21	43-047-33486-00-00	NWNW of Section 21-T12S-R23E	Surveyed location only-APD rescinded
DWR 5-28	43-047-33343-00-00	SWNW of Section 28-T12S-R23E	Producing
DWR 8-29	43-047-33487-00-00	SENE of Section 29-T12S-R23E	Shut in
DWR 10-29	43-047-33488-00-00	NWSE of Section 29-T12S-R23E	Surveyed location only
DWR 12-21	43-047-33344-00-00	NWSW of Section 21-T12S-R23E	Producing
DWR 12-22	43-047033345-0-00	NWSW of Section 22-T12S-R23E	Shut in
DWR 12-28	43-047-33481-00-00	NWSW of Section 28-T12S-R23E	Shut in
DWR 14-16	43-047-33482-00-00	SESW of Section 16-T12S-R23E	Shut in (no surface equip)
DWR 14-28	43-047-33483-00-00	SESW of Section 28-T12S-R23E	Shut in (no surface equip)
DWR 15-16	43-047-33346-00-00	SWSE of Section 16-T12S-R23E	Shut in
DWR 16-16	43-047-33489-00-00	SESE of Section 16-T12S-R23E	Shut in
DWR 16-29	none	SESE of Section 29-T12S-R23E	Location only-APD not issued

End of Exhibit "B"

## OIL AND GAS LEASE

This Agreement, made and entered into this 30th day of March, 1999 by and between Exok, Inc., an Oklahoma corporation whose address is 6410-B North Santa Fe, Oklahoma City, Oklahoma 73116, as Lessor, and Ranken Energy Corporation, whose address is 601 N. Kelly, Suite 103, Edmond, Oklahoma 73003-4855, as Lessee, Witnesseth:

1. That Lessor, in consideration of the cash bonus in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipeline, storing oil and building tanks, roads, and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder, the following described land (sometimes referred to in this lease as the "leased premises"), to wit:

### Patented Placer Mining Claims, County of Uintah, State of Utah

#### **Parcel I**

Bitter Creek Nos. 2, 3, 4, 5, 6, 7, 8, 9 and 10.  
Hydrocarbon Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12.  
Denver-Los Angeles Nos. 1, 2, 3, 4, 5, 6, 7, 8, and 9.  
Seep Ridge Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11.  
Button Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12.  
Button Hole Nos. 1, 2 and 3.  
Gasoline Nos. 1, 2, 3, 4, 5, 6, 7, 8, 11 and 12.

#### **Parcel II**

Bitter Creek No. 1.  
Gasoline No. 9.  
Gasoline No. 10.

Insofar and only insofar as said Patented Placer Mining Claims cover the lands specifically located in the governmental sections set forth below:

### Township 12 South, Range 23 East, S.L.M.

All or part of Sections 16,17,19,20,21,22,27,28,29,32,33,34 and 35;

### Township 13 South, Range 23 East, S.L.M.

All or part of Sections 2,3,4,5,8,9,10 and 11

containing approximately 8060.10 acres, more or less.

Lessor expressly reserves and retains from this lease all of that portion of the Patented Placer Mining Claims described hereinabove insofar and only insofar as said mining claims cover lands located in governmental Sections 14,15,16,17,18,19,20,21,22 and 29, Township 13 South, Range 23 East, S.L.M. together with all rights of ingress and egress over and across the leased premises reasonably necessary to enable Lessor, its' successors or assigns, to develop, operate and produce wells on the lands reserved herefrom.

2. **Term.** Subject to the provisions hereinafter contained, this Lease shall be for a term of five (5) years from this date (hereinafter referred to as "primary term"), and so long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises, or operations are conducted as hereinafter provided. Upon the termination or any partial termination of this Lease, Lessee shall prepare, execute and deliver to Lessor a recordable release of such acreage in accordance with Section 17 of this Lease.

At the expiration of the primary term, this Lease shall automatically terminate as to all lands except those included in a proration unit attributable to a well capable of producing oil and/or gas in paying quantities unless operations are then being conducted in accordance with the Continuous Development provisions of Section 6 below or the Additional Drilling or Reworking provisions of Section 7 below, in which case the terms of Sections 6 and 7 shall control.

If at the expiration of the primary term, this Lease is perpetuated by production of oil and/or gas in paying quantities, then, with respect to each proration unit on the leased premises, this Lease shall automatically terminate as to all rights granted by this Lease below 100 feet below the deepest depth from which oil and/or gas is then being produced. Provided, however, if at the expiration of the primary term, Lessor is engaged in drilling an additional well or wells pursuant to the provisions of Section 6 of this Lease, then this Lease shall not terminate with respect to the depths described in this paragraph so long as development continues in accordance with the terms of Section 6 of this Lease. Furthermore, if at the expiration of the primary term, Lessee is engaged in deepening an existing well, then for purposes of this paragraph only, the deepening of an existing well will be considered a continuous development operation under Section 6 of this Lease, and so long as Lessee continues developing the leased premises in accordance with the terms of Section 6, the rights to the depths described in this paragraph will not terminate.

If at any time after the expiration of the primary term, should the deepest producing formation attributable to any proration unit on this Lease cease to produce in paying quantities, then Lessee shall have one hundred eighty (180) days to begin either deepening that well or commencing the drilling of another well or wells on that proration unit in accordance with the provisions of Section 7 of this Lease, or this Lease, insofar as it covers such proration unit, shall automatically terminate with regard to all depths below 100 feet below the deepest depth from which oil and/or gas is then being produced.

To the extent that any part of this Lease remains in effect, Lessee shall retain such easements across the terminated portions of the Lease as shall be reasonably necessary for ingress and egress to enable Lessee to develop and operate the remaining portion of this Lease.

3. **Obligation Wells.** Lessee covenants and agrees to drill, or cause to be drilled, four (4) test wells (hereinafter referred to as "Obligation Wells") during the first year of the primary term hereof; locations for such Obligation Wells to be chosen by Lessee's geologists.

In order to qualify as an Obligation Well, each such well drilled hereunder shall be drilled to a minimum depth sufficient to test the Wasatch formation. Except as provided in Section 16 herein, failure by Lessee to cause or commence the actual drilling of all four (4) Obligation Wells on or before March 29, 2000 shall constitute and result in the automatic termination of this lease, except as to the proration unit for each such well previously drilled and capable of producing oil and/or gas in paying quantities and designated by Lessee in writing as hereafter provided. The only other penalty for Lessee's failure to timely commence all four (4) Obligation Wells shall be the loss of all additional rights earnable hereunder.

4. **Royalty.** Lessee covenants and agrees to pay Lessor the following royalties monthly, subject to the provisions of Section 5 hereof:

(a) 15.75% of 8/8ths of the gross proceeds of all oil and other liquid hydrocarbons recovered or separated on the leased premises, produced and saved from the leased premises and sold by Lessee in an arms' length transaction; and as to such oil and other liquid hydrocarbons not sold by Lessee in an arms' length transaction, royalties of that share or percentage calculated by using the highest price, plus premium, if any, paid or offered for oil and other liquid hydrocarbons of comparable quality in the general area where produced and when run; or after sixty (60) days written notice from Lessor, which notice may be given from time to time, Lessee shall deliver free of cost to Lessor at the well, or to the credit of Lessor into the pipeline to which the well is connected, such share or percentage of all oil and other liquid hydrocarbons produced and saved from the leased premises; and

(b) 15.75% of 8/8ths of the gross proceeds received by Lessee for all gas recovered or separated on the leased premises, produced from the leased premises and sold by Lessee in an arms' length transaction; and as to such gas not sold by Lessee in an arms' length transaction, royalties of that share or percentage calculated by using the highest price paid or offered for gas of comparable quality in the general area where produced and when run.

5. **Royalty.** (a) Lessee shall pay Lessor royalty on all oil and other liquid hydrocarbons, including condensate, and on all gas, including all substances contained in such gas, (all hereinafter collectively called "Products" and each individually called a "Product") produced from a well on the leased premises, whether or not such Products are produced to the credit of Lessee or sold under a contract executed by or binding on Lessee, and;

(b) In no event shall Lessor's royalty for a Product be based on a price less than the price paid Lessee for Lessee's share of that Product produced hereunder. For purposes of this lease, an arms' length transaction is a sale of a Product by Lessee to a buyer not affiliated with Lessee or with any subsidiary or other affiliate of Lessee under an agreement negotiated in good faith by all parties. Lessor shall not bear any production or post-production cost or expense, including without limitation, cost or expense for storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing the Products, and Lessee shall make no deduction or reduction for any such cost or expense when computing any royalty due Lessor under this Lease.

6. **Continuous Development.** At the end of the primary term or upon the completion of any well then drilling on the leased premises as a well capable of producing in paying quantities or as a dryhole (completion being the release of the completion rig, or if the well is a dry hole, the release of the drilling rig), Lessee shall have the recurring right for one hundred eighty (180) days thereafter, to commence the drilling of another well or wells on the leased premises (commencement being the actual spudding of the succeeding well), with no more than one hundred eighty (180) days elapsing between the completion of one well as a producer or a dryhole and the commencement of the next succeeding well. Failure to commence such additional well or wells within the time herein provided, shall terminate this Lease ipso facto as to all lands except those included within the surface boundaries of any proration unit otherwise being maintained under the provisions of this Lease. Lessee shall also have the right to accelerate the drilling of additional wells and thereby accumulate and perpetuate this Lease for an additional one eighty (180) days for each additional well drilled in accordance herewith. Lessee's right to accumulate additional time hereunder is expressly limited to wells other than the four (4) Obligation Wells provided for in Section 3 above.

7. **Additional Drilling or Reworking.** If, at the expiration of the primary term, or the expiration of any extended term provided in Section 6 above, whichever is later, oil and/or gas are being produced in paying quantities, but production thereafter ceases from any cause this Lease shall not terminate as to the proration unit attributable to the well or wells affected thereby if Lessee commences reworking or additional actual drilling within one hundred eighty (180) days thereafter, and such reworking or additional drilling is diligently prosecuted with no cessation of more than one hundred eighty (180) consecutive days, and production in paying quantities thereafter resumes.

If, at the expiration of the primary term, or the expiration of any extended term provided in Section 6 above, whichever is later, oil and/or gas are not then being produced from any well or wells on the leased premises, but Lessee is then engaged in operations (as defined hereinafter) on any such well or wells, this Lease shall remain in force for so long as such operations are diligently prosecuted with no cessation of more than one hundred eighty (180) consecutive days between such cessation and the resumption of such operations. If such operations result in the production of oil or gas in paying quantities, this Lease shall not terminate as to the proration unit attributable to the well or wells then producing oil or gas in such quantities; but this Lease shall terminate as to all other acreage unless Lessee shall have commenced drilling a new well or wells in accordance with the Continuous Development provisions of Section 6 of this Lease.

Wherever used in this Lease the word "operations" shall mean operations for and any of the following: actual drilling, testing, completing, sidetracking, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas in paying quantities.

8. **Right to Take Production in Kind.** Lessor shall always have the right, at any time and from time to time, upon reasonable written notice to Lessee, to take Lessor's share of oil, gas and processed liquids in kind. Lessor may elect to take Lessor's gas in kind at the well, or at the point of delivery where Lessee delivers Lessee's gas to any third party. If gas is processed, lessor may elect to take Lessor's share of the residue gas attributable to production from the leased premises, at the same point of delivery where Lessee received its share of residue gas or has its share of residue gas delivered to a third party. Lessor may elect to have its royalty share of processed liquids stored in tanks at the plant or delivered into pipelines on the same basis as Lessee's share of liquids is stored or delivered. Lessor shall reimburse Lessee for all reasonable costs incurred by Lessee in installing, operating or maintaining additional facilities necessary for Lessor's royalty gas and processed liquids to be separately metered, accounted for, and delivered to a third party, but Lessor shall not be charged for any expense in the production, gathering, dehydration, separation, compression, transportation, treatment, processing or storage of Lessor's share of gas and processed liquids along with Lessee's share of gas and processed liquids.

9. **Shut-in Payments.** While there is a well on the leased premises capable of producing gas in paying quantities but the production thereof is shut-in, shut-down or suspended for lack of a market, available pipeline, or because of government restrictions or, if it is economically inadvisable for Lessee to sell gas for a time, then, Lessee may pay as shut-in royalty on or before ninety (90) days after the date on which (1) production from any such well is shut-in, shut-down or suspended; or (2) this Lease is no longer maintained by compliance with one of the other preservation provisions hereof, whichever is the later date, and thereafter at annual intervals the sum of One Hundred Dollars (\$100.00) per well, for each and every shut-in, shut-down or suspended well. If such payment is made in accordance with the terms hereof, this Lease shall not terminate, but shall continue in force for a period of one (1) year from the date of making such shut-in payment (subject to the exceptions set out hereafter) and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this Lease. Any shut-in royalty payment shall not be a credit against production nor credited with prior production royalty. In the event that production is begun or resumed during the year following the payment of a shut-in royalty payment and is subsequently shut-in, during such year the second annual shut-in payment shall be due and payable on the anniversary date of the first payment. If there is production on such first anniversary date and the well is subsequently shut-in, shut-down or suspended, then the second shut-in payment shall be made on or before ninety (90) days after such new shut-in date or the Lease shall terminate. Notwithstanding anything to the contrary set out above, should the shut-in period extend beyond the expiration of the primary term such shut-in provision will maintain the rights granted by this Lease only to the producing units and horizons of such gas well(s) as if they were producing gas in paying quantities pursuant to Section 2 above. Should such shut-in royalty payments not be made in a timely manner as provided for above, then, in that event, it shall be considered for all purposes that there is no production of gas from any such well or wells and, unless this Lease is being maintained by any other preservation provision hereof, this Lease shall



terminate automatically at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all of its interest in and to this Lease as provided in Section 17.

10. **Pooling.** Lessee does not have the right and power to pool or combine the acreage covered by this Lease or any portion thereof as to oil and gas, or either of them, with any other land or leases.

11. **Assignability.** The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto.

12. **Proration Unit.** The term "proration unit" where used in this Lease, shall mean *i*) forty (40) acres plus a tolerance of ten percent (10%) surrounding each well classified as an oil well by the appropriate governmental authority; and *ii*) one hundred sixty (160) acres plus a tolerance of ten percent (10%) surrounding each well classified as a gas well by the appropriate governmental authority.

13. **Water.** To the extent Lessor owns any water rights, Lessee shall have the free use of water from the leased premises, for all operations solely on the leased premises. Lessee shall comply with all applicable rules in disposition (by reinjection or otherwise) of salt water, brine or other fluids utilized in or resulting from operations, and shall not cause or permit any such substances to damage or pollute the surface of the leased premises or any fresh water sands lying thereunder.

14. **Limitation to Oil and Gas.** This Lease is intended to cover only oil and gas producible by conventional oil and gas industry accepted means (ie. the drilling and producing of vertical and/or horizontal wellbores.) Lessor expressly reserves and retains herefrom all gilsonite, trona, oil shale reserved by a prior owner and all other minerals (except oil and gas) which may underlie all or part of the leased premises. The term "oil shale" is defined as a mineable, kerogen-bearing, finely laminated brown or black sedimentary rock that will yield liquid or gaseous hydrocarbons on distillation.

15. **Notifications Required.** Lessee shall advise Lessor in writing of the location of each well to be drilled upon the leased premises after commencement of operations, and shall advise Lessor in writing the date of completion and/or abandonment of each well drilled on the leased premises (such notice shall include furnishing Lessor a copy of the applicable completion or plugging report filed with any governmental or regulatory agency) within thirty (30) days after completion or abandonment. As to any well drilled under the provisions of this Lease, Lessor, or Lessor's representatives, or any one or more of the same, shall have access to such well and upon request shall be furnished with copies of daily drilling reports. Such reports and information shall be furnished within seven (7) days after the same are obtained or compiled by Lessee. In addition, Lessee shall upon written request furnish Lessor within thirty (30) days from the date of the request or thirty (30) days from the date that the data is received by Lessee:

A. Plats or maps showing the location of the well on this Lease.

B. The details of any tests taken in said well, and the results of any core analysis or analyses which shall be run on any cores taken while drilling said well.

C. Upon commencement of any drilling or reworking operations on this Lease with copies of all reports filed with the appropriate governmental authority or other governmental agency having jurisdiction in connection with such operation.

D. Upon completion of any drilling or reworking operations on this Lease with copies of all logs run in such well and copies of core or other type of formation analysis subject to a confidentiality obligation on Lessor's part if filed as confidential with the appropriate governmental authority.

E. A summary report, to be made annually on the anniversary date of this Lease and commencing upon the expiration of the primary term of this Lease, to include (1) on the reporting date the number of producing wells and the number of wells not producing but not plugged; (2) the number of wells that were plugged during the previous twelve (12) months, and (3) a map denoting the location of each of these wells on the leased premises.

F. It is understood and agreed that all information provided Lessor herein is proprietary and is to be held in confidence.

16. **Force Majeure.** Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" shall mean: Any act of God including but not limited to storms, floods, washouts, landslides, and lightning; act of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of Federal, State, Municipal or other governments or governmental officers or agents under the color of authority requiring, ordering or directing Lessee to cease drilling, reworking or producing operations; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. The term "force majeure" shall not include lack of markets for production or any other events affecting only the economic or financial aspects of drilling, development or production. For a period of sixty (60) days after termination of an event of force majeure, each and every provision of this Lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this Lease shall continue in full force, provided, however, that in no event will the primary term be extended unless Lessee has begun the actual drilling of a well prior to the date of the expiration of the primary term.

17. **Releases Required.** Within ninety (90) days after the partial termination of this Lease as provided under any of the terms and provisions of this Lease, Lessee shall deliver to Lessor a plat showing the proration units designated by Lessee, and a fully executed, recordable release properly describing the lands and depths to be retained by Lessee around each producing well. If the lease terminates in its entirety, then Lessee shall deliver a complete, fully executed, recordable release to Lessor within thirty (30) days. If such release complies with the requirements of this section, Lessor shall record such release.

18. **Indemnification.** Lessee, its successors and assigns, agrees to indemnify, defend and hold harmless the parties herein designated Lessor, and each of them, from and against any and all claims, losses, liabilities, fines, costs, expenses (including attorneys fees and expenses) resulting from or arising out of Lessee's ownership of this Lease or in connection with operations of or for Lessee, its agents, contractors, or subcontractors hereunder, regardless of the cause of such claims, losses, liabilities, fines, costs or expenses. This provisions and its indemnities shall survive the termination of this Lease and shall bind and inure to the successors, heirs and assigns of Lessor and Lessee.

19. **No Warranties of Title.** This Lease is made without warranties of any kind, either express or implied. Lessor agrees that Lessee, at its option, after having given Lessor sixty (60) days' written notice, may discharge any tax, mortgage or other lien upon Lessor's interest in said land, either in whole or in part, and in the event lessee does so, it shall be subrogated to such lien with right to enforce same, subject to any defenses of Lessor, and apply royalties accruing hereunder toward satisfying same.

20. **Proportionate Reduction for less than Entire Interest.** It is agreed that if Lessor's interest in the oil and gas minerals in and under any of the leased premises is less than the entire oil and gas mineral estate, then the royalties and all other benefits to accrue or to be paid to Lessor hereunder as to such lands shall be reduced to the proportion thereof which the oil and gas mineral estate of Lessor in such land bears to the entire oil and gas mineral estate. However, Lessor's royalties herein shall not be reduced with respect to the 3% of 8/8ths non-participating royalty interest presently burdening the leased premises.

21. **Compliance with Environmental Laws and Regulations.** Lessee, its successors and assigns, by its acceptance of this Lease, hereby agrees to comply with all applicable laws, rules and regulations and hereby assumes full responsibility for, and agrees to indemnify, defend and hold harmless, Lessor from and against any loss, liability, claim, fine, expense cost (including attorneys fees and expenses) and cause of action caused by or arising out of the violation (or defense of the alleged violation) of any federal, state or local laws, rules or regulations applicable to any waste material, drilling matter fluid or any hazardous substances released or caused to be released by Lessee or Lessee's agents, or independent contractors from the land leased hereunder into the atmosphere or into or upon the land or any water course or body of water, including ground water.

22. **Alteration/Modification.** The terms of this Lease cannot be altered or amended except by a written instrument clearly demonstrating such purpose and effect, and executed by both parties to this Lease. The written instrument shall describe the specific terms or provisions being altered and the proposed modification or change thereto.

23. **Ancillary Rights.** Lessee shall have the right for a period of one (1) year following the expiration of this Lease or the release of any lands covered by this Lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. If not, Lessor shall have the option to either claim the property, in whole or in part, as its own or having the said properties and fixtures removed, in whole or in part, at Lessee's expense. If the property is opted to be removed, additional expenses for surface damages and restoring the land shall be charged to Lessee, provided, however, lessee shall not be relieved of its liability to plug any well so abandoned.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR: EXOK, INC.

ATTEST:

By: Steven D. Bryant  
Steven D. Bryant, President

David A. Mott

Address: 6410-B North Santa Fe  
Oklahoma City, OK 73116

Tax ID #: 73-1058740

LESSEE: RANKEN ENERGY CORPORATION

ATTEST:

By: Randolph L. Coy  
Title: President

Deborah L. Coffey

Address: 601 N. Kelly, Ste 103  
Edmond, OK 73003

Tax ID #: 73-1278733

CORPORATE ACKNOWLEDGMENT

STATE OF OKLAHOMA )  
COUNTY OF OKLAHOMA ) §

The foregoing instrument was acknowledged before me on this 30<sup>th</sup> day of March, 1999, by Steven D. Bryant, to me known to be the identical person who subscribed his name as President of EXOK, INC., and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth. Given under my hand and seal the day and year last above written.

My Commission Expires: 5/9/2000

Marilyn L. Dohnell  
Marilyn L. Dohnell, Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF OKLAHOMA )  
COUNTY OF OKLAHOMA ) §

The foregoing instrument was acknowledged before me on this 29<sup>th</sup> day of March, 1999, by Randolph L. Coy to me known to be the identical person who subscribed his name as President of RANKEN ENERGY CORPORATION and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth. Given under my hand and seal the day and year last above written.



Janet J. Reynolds  
Notary Public, Janet J. Reynolds



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 30, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 5834

Mr. Alvin Arlian  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, CO 80202

43 DA7 33481  
DWR 12-23-B-28  
125 23E 28

Re: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases

Dear Mr. Arlian:

Enduring Resources, LLC has eighteen (18) Fee Lease Wells and eleven (11) Mineral Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is a second notice of non-compliance for wells 1 through 14 listed on Attachment A. The Division notified the previous operators, TCC Royalty, Ranken Energy, Mak-J Energy and Houston Exploration, on several occasions by certified mail about these wells non-compliance issues. Several plans to produce or plug were submitted, but no action has been taken to date on these wells. It has also come to the Divisions attention that Enduring no longer holds a valid lease for the DWR wells (wells 1 through 9 on Attachment A). Immediate action is required on these wells. The Division feels that sufficient time has passed to make a decision on these wells.

Please submit your plans to produce or plug these wells. If this is not addressed within 30 days, a Notice of Violation will be issued for these wells. A similar response is required for the other fifteen wells listed in Attachment A.



Page 2  
Mr. Arlian  
July 30, 2008

For extended SI/TA consideration the operator shall provide the Division with the following:

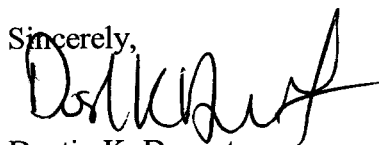
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP:js  
Enclosure

cc: Compliance File  
Well File  
Jim Davis, SITLA

### Attachment A

	Well Name	API	Lease Type	Years Inactive
1	DWR 12-23-13-22	4304733345	FEE	7 YEARS 6 MONTHS
2	DWR 12-23-34-16	4304733346	FEE	7 YEARS 3 MONTHS
3	DWR 12-23-41-21	4304733480	FEE	8 YEARS 1 MONTH
4	DWR 12-23-13-28	4304733481	FEE	7 YEARS 8 MONTHS
5	DWR 12-23-24-16	4304733482	FEE	8 YEARS 1 MONTH
6	DWR 12-23-24-28	4304733483	FEE	7 YEARS 8 MONTHS
7	DWR 12-23-31-21	4304733484	FEE	8 YEARS 2 MONTHS
8	DWR 12-23-42-29	4304733487	FEE	7 YEARS 11 MONTHS
9	DWR 12-23-44-16	4304733489	FEE	7 YEARS 8 MONTHS
10	QUEST 11-25-13-21	4304733935	FEE	4 YEARS 6 MONTHS
11	QUEST 11-25-24-10	4304734118	FEE	7 YEARS 0 MONTHS
12	QUEST 11-25-31-28	4304735310	FEE	4 YEARS 4 MONTHS
13	QUEST 11-25-34-21	4304735297	FEE	4 YEARS 4 MONTHS
14	QUEST 11-25-11-27	4304735298	FEE	4 YEARS 5 MONTHS
15	QUEST 11-25-14-22	4304735299	FEE	2 YEARS 9 MONTHS
16	HOSS 9-25-34-20	4304734756	ML-45558	2 YEARS 7 MONTHS
17	BONANZA 9-24-22-36	4304735860	ML-46527	2 YEARS 6 MONTHS
18	BONANZA 9-24-11-36	4304735861	ML-46527	1 YEAR 5 MONTHS
19	BONANZA 9-25-13-20	4304735929	ML-45558	2 YEARS 11 MONTHS
20	RAINBOW 11-24-31-16	4304736184	ML-47080	1 YEAR 1 MONTH
21	SOUTHAM CYN 10-25-21-32	4304736421	ML 47065	1 YEAR 10 MONTHS
22	AGENCY DRAW 12-21-31-36	4304736424	ML 47086	2 YEARS 1 MONTH
23	BONANZA 9-24-32-22	4304736753	FEE	2 YEARS 6 MONTHS
24	ARCHY BENCH 12-23-22-16	4304736800	ML-48957	2 YEARS 0 MONTHS
25	ARCHY BENCH 11-24-24-32	4304736819	ML-49762	1 YEAR 4 MONTHS
26	ASPHALT WASH 11-24-42-16	4304736875	ML47080	2 YEARS 2 MONTHS
27	SOUTHAM CYN 9-24-23-36	4304736880	FEE	1 YEARS 1 MONTH
28	SOUTHAM CYN 10-25-11-6	4304736933	FEE	1 YEAR 3 MONTHS
29	BUCK CYN 12-21-43-16	4304737091	ML-47085	2 YEARS 9 MONTHS

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 350-5719		8. WELL NAME and NUMBER: DWR 12-23-13-28
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2105' FSL - 550' FWL		9. API NUMBER: 4304733481
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 23E S		10. FIELD AND POOL, OR WILDCAT: Oil Springs
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Well Status Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

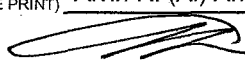
This well had 283 psig SITP and 297 psig SICP in August 2008.

Enduring is requesting a 30 day extension to finish up an evaluation of the Wasatch potential in this well bore.

COPY SENT TO OPERATOR


Date: 1.28.2009

Initials: KS

NAME (PLEASE PRINT) Alvin R. (Al) Arlian	TITLE Landman - Regulatory Specialist
SIGNATURE 	DATE 8/29/2008

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 1/27/09  
BY:  (See Instructions on Reverse Side)

(5/2000)

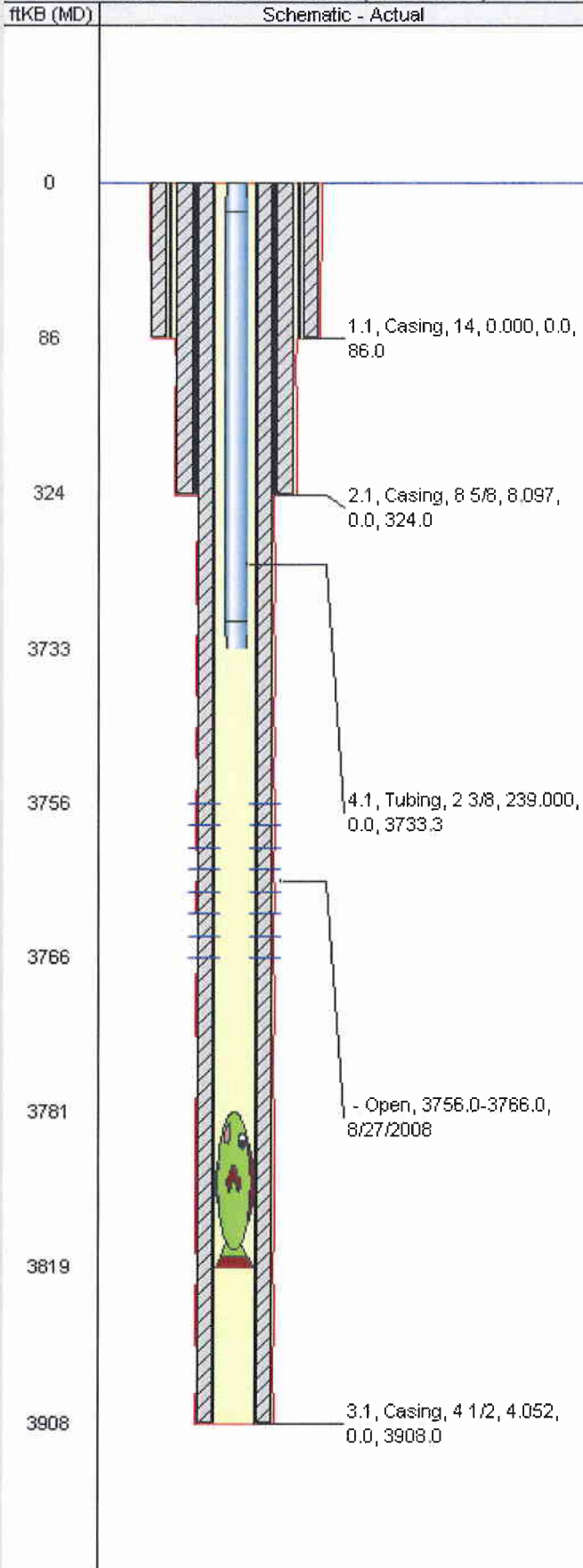
RECEIVED

SEP 04 2008

DIV. OF OIL, GAS & MINING



DWR 12-23-13-28: 8/27/2008 (KB-Grd: 0.0ft)



WellName										WellUserID	
DWR 12-23-13-28										UT0808.01	
APICode						County					
430473348100						UINTAH, UT					
Sec	Twn	Rge	Qtr1	Qtr2	Qtr3	XLoc	YLoc	Latitude	Longitude		
28	12S	23E	NW	SW							
Feet From			Line			Feet From			Line		
Engineer				Technician				Pumper			
								TR4,			
SpudDate		Comp Date		KB Height		TD Drill Dept		TD Log Dept		TVD	
				0		0		0		0	

## Casing

Date In	Casing Type	Hole Dia	Size	Wt	Grade	Depth	Jts	Ft
5/31/2000	. Conducto	17.500	14.000	0.00		86.00	0.00	0.00
6/6/2000	3. Surface	12.250	8.625	24.00	J-55	324.00	8.00	0.00
6/17/2000	. Production	7.875	4.500	10.50	J-55	3908.00	11.00	0.00

## Tubing

Date In	Size	Wt	Grade	Cou OD	ID	Depth	Avg Jt	Intake
10/17/2001	2.375	4.7	J-55	0	0.000	3733	0	0

## Sucker Rods

## Formations

## Perforations

Upper	Lower	Formation	Date	Status	Gun Sz	Shot/Ft	Phasg
3756	3766		8/27/2008	Open		4	

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**


Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 350-5719		8. WELL NAME and NUMBER: DWR 12-23-13-28
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2105' FSL - 550' FWL		9. API NUMBER: 4304733481
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 23E S		10. FIELD AND POOL, OR WILDCAT: Oil Springs
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/2/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DUE TO DWR DEC. 1 WILDLIFE RESTRICTION WELL HAS BEEN SHUT-IN FOR WINTER.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>12/2/2008</u>

(This space for State use only)

RECEIVED  
DEC 08 2008  
DIV. OF OIL, GAS & MINING



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**


Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 350-5719		8. WELL NAME and NUMBER: DWR 12-23-13-28
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2105' FSL - 550' FWL		9. API NUMBER: 4304733481
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 23E S		10. FIELD AND POOL, OR WILDCAT: Oil Springs
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/2/2009	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DUE TO DWR DEC. 1, WILDLIFE RESTRICTION WELL HAS BEEN SHUT-IN FOR WINTER.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>1/2/2009</u>

(This space for State use only)

RECEIVED  
JAN 05 2009  
DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**


Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 350-5719		8. WELL NAME and NUMBER: DWR 12-23-13-28
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2105' FSL - 550' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 23E S		9. API NUMBER: 4304733481
COUNTY: Uintah STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Oil Springs

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/30/2009	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DUE TO DWR DEC. 1 TO APR. 1, WILDLIFE RESTRICTION WELL HAS BEEN SHUT-IN FOR WINTER.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>1/30/2009</u>

(This space for State use only)

RECEIVED

FEB 03 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 350-5114		8. WELL NAME and NUMBER: DWR 12-23-13-28
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2105' FSL - 550' FWL		9. API NUMBER: 4304733481
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 23E S		10. FIELD AND POOL, OR WILDCAT: Oil Springs
COUNTY: Uintah		STATE: UTAH


11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>Well Status Report</u>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/1/2009			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MONTHLY WELL STATUS REPORT:

This well shall continue to be shut-in for the month of April, 2009.

1. Enduring is preparing an "Action Plan" for this and other shut-in wells.
2. By May 1, 2009, the Action Plan is to be submitted for the approval of the DOG&M.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u></u>	DATE <u>3/30/2009</u>

(This space for State use only)

RECEIVED  
APR 02 2009

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> DWR 12-23-13-28
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2105 FSL 0550 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWSW Section: 28 Township: 12.0S Range: 23.0E Meridian: S		<b>9. API NUMBER:</b> 43047334810000
<b>PHONE NUMBER:</b> 303 350-5114 Ext		<b>9. FIELD and POOL or WILDCAT:</b> OIL SPRINGS
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> <b>ACIDIZE</b>	
<input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion: 5/29/2009	<input type="checkbox"/> <b>ALTER CASING</b>	
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> <b>CASING REPAIR</b>	
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b>	
	<input type="checkbox"/> <b>CHANGE TUBING</b>	
	<input type="checkbox"/> <b>CHANGE WELL STATUS</b>	
	<input type="checkbox"/> <b>COMMINGLE PRODUCING FORMATIONS</b>	
	<input type="checkbox"/> <b>DEEPEN</b>	
	<input type="checkbox"/> <b>FRACTURE TREAT</b>	
	<input type="checkbox"/> <b>OPERATOR CHANGE</b>	
	<input type="checkbox"/> <b>PLUG AND ABANDON</b>	
	<input type="checkbox"/> <b>PRODUCTION START OR RESUME</b>	
	<input type="checkbox"/> <b>RECLAMATION OF WELL SITE</b>	
	<input type="checkbox"/> <b>REPERFORATE CURRENT FORMATION</b>	
	<input type="checkbox"/> <b>SIDETRACK TO REPAIR WELL</b>	
	<input type="checkbox"/> <b>TUBING REPAIR</b>	
	<input type="checkbox"/> <b>VENT OR FLARE</b>	
	<input checked="" type="checkbox"/> <b>SI TA STATUS EXTENSION</b>	
	<input type="checkbox"/> <b>WATER SHUTOFF</b>	
	<input type="checkbox"/> <b>WILDCAT WELL DETERMINATION</b>	
	<input type="checkbox"/> <b>OTHER:</b> Monthly Status Report	
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b> 5-29-2009 Pursuant to an Action Plan submitted to DOG&M May-2009, this well shall continue to be shut-in while six other wells are being plugged commencing June-2009.		
<b>Accepted by the</b> <b>Utah Division of</b> <b>Oil, Gas and Mining</b> <b>FOR RECORD ONLY</b> June 01, 2009		
<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/29/2009	

**RECEIVED** May 29, 2009

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> DWR 12-23-13-28
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2105 FSL 0550 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWSW Section: 28 Township: 12.0S Range: 23.0E Meridian: S		<b>9. API NUMBER:</b> 43047334810000
<b>PHONE NUMBER:</b> 303 350-5114 Ext		<b>9. FIELD and POOL or WILDCAT:</b> OIL SPRINGS
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> <b>ACIDIZE</b>	
<input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion: 6/30/2009	<input type="checkbox"/> <b>ALTER CASING</b>	
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> <b>CASING REPAIR</b>	
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b>	
	<input type="checkbox"/> <b>CHANGE TUBING</b>	
	<input type="checkbox"/> <b>CHANGE WELL STATUS</b>	
	<input type="checkbox"/> <b>COMMINGLE PRODUCING FORMATIONS</b>	
	<input type="checkbox"/> <b>DEEPEN</b>	
	<input type="checkbox"/> <b>FRACTURE TREAT</b>	
	<input type="checkbox"/> <b>NEW CONSTRUCTION</b>	
	<input type="checkbox"/> <b>OPERATOR CHANGE</b>	
	<input type="checkbox"/> <b>PLUG AND ABANDON</b>	
	<input type="checkbox"/> <b>PLUG BACK</b>	
	<input type="checkbox"/> <b>PRODUCTION START OR RESUME</b>	
	<input type="checkbox"/> <b>RECLAMATION OF WELL SITE</b>	
	<input type="checkbox"/> <b>RECOMPLETE DIFFERENT FORMATION</b>	
	<input type="checkbox"/> <b>REPERFORATE CURRENT FORMATION</b>	
	<input type="checkbox"/> <b>SIDETRACK TO REPAIR WELL</b>	
	<input type="checkbox"/> <b>TEMPORARY ABANDON</b>	
	<input type="checkbox"/> <b>TUBING REPAIR</b>	
	<input type="checkbox"/> <b>VENT OR FLARE</b>	
	<input type="checkbox"/> <b>WATER DISPOSAL</b>	
	<input type="checkbox"/> <b>WATER SHUTOFF</b>	
	<input type="checkbox"/> <b>SI TA STATUS EXTENSION</b>	
	<input type="checkbox"/> <b>APD EXTENSION</b>	
	<input type="checkbox"/> <b>WILDCAT WELL DETERMINATION</b>	
	<input checked="" type="checkbox"/> <b>OTHER</b>	
	<b>OTHER:</b> Monthly Status Report	
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b> 6-30-2009 Pursuant to an Action Plan submitted to and approved by the DOG&M in May-2009, this well shall continue to be shut-in while six other wells are being plugged commencing June-2009.		
<b>Accepted by the</b> <b>Utah Division of</b> <b>Oil, Gas and Mining</b> <b>FOR RECORD ONLY</b> June 30, 2009		
<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/30/2009	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> DWR 12-23-13-28
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2105 FSL 0550 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWSW Section: 28 Township: 12.0S Range: 23.0E Meridian: S		<b>9. API NUMBER:</b> 43047334810000
<b>PHONE NUMBER:</b> 303 350-5114 Ext		<b>9. FIELD and POOL or WILDCAT:</b> OIL SPRINGS
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> <b>ACIDIZE</b> <input type="checkbox"/> <b>ALTER CASING</b> <input type="checkbox"/> <b>CASING REPAIR</b>	
<input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion: 7/29/2009	<input type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b> <input type="checkbox"/> <b>CHANGE TUBING</b> <input type="checkbox"/> <b>CHANGE WELL NAME</b>	
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> <b>CHANGE WELL STATUS</b> <input type="checkbox"/> <b>COMMINGLE PRODUCING FORMATIONS</b> <input type="checkbox"/> <b>CONVERT WELL TYPE</b>	
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>FRACTURE TREAT</b> <input type="checkbox"/> <b>NEW CONSTRUCTION</b>	
	<input type="checkbox"/> <b>OPERATOR CHANGE</b> <input type="checkbox"/> <b>PLUG AND ABANDON</b> <input type="checkbox"/> <b>PLUG BACK</b>	
	<input type="checkbox"/> <b>PRODUCTION START OR RESUME</b> <input type="checkbox"/> <b>RECLAMATION OF WELL SITE</b> <input type="checkbox"/> <b>RECOMPLETE DIFFERENT FORMATION</b>	
	<input type="checkbox"/> <b>REPERFORATE CURRENT FORMATION</b> <input type="checkbox"/> <b>SIDETRACK TO REPAIR WELL</b> <input type="checkbox"/> <b>TEMPORARY ABANDON</b>	
	<input type="checkbox"/> <b>TUBING REPAIR</b> <input type="checkbox"/> <b>VENT OR FLARE</b> <input type="checkbox"/> <b>WATER DISPOSAL</b>	
	<input type="checkbox"/> <b>WATER SHUTOFF</b> <input checked="" type="checkbox"/> <b>SI TA STATUS EXTENSION</b> <input type="checkbox"/> <b>APD EXTENSION</b>	
	<input type="checkbox"/> <b>WILDCAT WELL DETERMINATION</b> <input checked="" type="checkbox"/> <b>OTHER</b>	
OTHER: Monthly Status Report		
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b> 7-31-2009 Pursuant to an Action Plan submitted to and approved by the DOG&M in May-2009, this well shall continue to be shut-in until 2010. Pursuant to Action Plan six other shutin wells were plugged commencing June-2009.		
<b>Accepted by the</b> <b>Utah Division of</b> <b>Oil, Gas and Mining</b> <b>FOR RECORD ONLY</b> August 03, 2009		
<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A		<b>DATE</b> 7/29/2009

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> DWR 12-23-13-28
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2105 FSL 0550 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWSW Section: 28 Township: 12.0S Range: 23.0E Meridian: S		<b>9. API NUMBER:</b> 43047334810000
<b>9. FIELD and POOL or WILDCAT:</b> OIL SPRINGS		<b>COUNTY:</b> UINTAH
<b>STATE:</b> UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 4/18/2011	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:			
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:			
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  

Upon approval from DOG&M, plan to plug well as set forth in the attached Proposed P & A Procedure.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 04/19/2011

By: *Derek Duff*

<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/28/2011	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Sundry Conditions of Approval Well Number 43047334810000**

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Add Plug #2: A 100' (10sx) plug shall be balanced across the top of the Wasatch formation from 2200' to 2100'. No tag required if pressure test is successful.**
- 3. All balanced plugs shall be tagged to ensure they remain at the depth specified by the proposal.**
- 4. All annuli shall be cemented from a minimum depth of 100' to the surface.**
- 5. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 7. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**



4/5/2011

## Wellbore Diagram

r263

API Well No: 43-047-33481-00-00

Permit No:

Well Name/No: DWR 12-23-13-28

Company Name: ENDURING RESOURCES, LLC

Location: Sec: 28 T: 12S R: 23E Spot: NWSW

Coordinates: X: 640973 Y: 4400348

Field Name: OIL SPRINGS

County Name: UINTAH

## String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	86	17.5		
COND	86	14		
HOL2	324	12.25		
SURF	324	8.625	24	
HOL3	3908	7.875		
PROD	3908	4.5	10.5	
T1	3750	2.375		
PKR	3659			

Capacity  
(F/CF)

11-167

Conductor: 14 in. @ 86 ft.

Hole: 17.5 in. @ 86 ft.

Cement from 324 ft. to surface

Surface: 8.625 in. @ 324 ft.

Hole: 12.25 in. @ 324 ft.

## Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	3908	0	PM	815
SURF	324	0	PM	230

## Perforation Information

3756'-66'

## Formation Information

Formation	Depth
WSTC	2110
MVRD	3812

BMSGW ± 3100'

Cement from 3908 ft. to surface

Packer: @ 3659 ft.

Tubing: 2.375 in. @ 3750 ft.

Production: 4.5 in. @ 3908 ft.

Hole: 7.875 in. @ 3908 ft.

Hole: Unknown

TD: 4000 TVD:

PBD: 3908

RECEIVED Mar. 28, 2011

Page 1

**DWR #12-23-13-28 (was #12-28) Proposed P&A Procedure**

8 5/8" @ 324' TOC at Surface  
4 1/2" @ 4,000' TOC @ returns to surface

Open Perfs: 3,756'-3,766'

Tubing 2 3/8 at 3,733'

PBTD @ 3,908' CIBP

Prior to move in rig up, check anchors and blow down the well  
NDWH, NUBOP  
POH with tubing and check  
RIH with bit to 3,700', POH  
RIH with CICR and set at 3,700'  
Squeeze 20 sacks below and 10 on top.  
Roll hole with produced water and corrosion inhibitor  
Pressure test casing, if it fails call for orders  
POH to 375'  
Spot 20 sacks (100') across shoe  
POH to 90' circulate cement to surface  
Cut off wellhead  
Top off cement in annulus if necessary  
Circulate cement to surface  
Weld Plate  
RDMO

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b>  
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> DWR 12-23-13-28
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2105 FSL 0550 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWSW Section: 28 Township: 12.0S Range: 23.0E Meridian: S		<b>9. API NUMBER:</b> 43047334810000
<b>9. FIELD and POOL or WILDCAT:</b> OIL SPRINGS		<b>COUNTY:</b> UINTAH
<b>STATE:</b> UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 8/11/2011			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

8-10-2011 MIRU Western Wellsite Well Service. ND WH. NU BOPE. POH w/ 114 joints tubing. No tubing anchor. RIH w/ bit to 3677'. PU 4.5" CICR and TIH to 3677'. Set and test retainer and tubing to 500 psi. Circ casing with packer fluid and test to 500 psi. SDFN. 8-11-2011 Pre-job safety meeting. Mix and pump 30 sacks Class G Cement, 20 sacks under and 10 sacks on top of CTR. TOO H to 2210'. Mix and pump 10 sacks Class G Cement to surface. TO H remainder of tugging. ND BOPE. Dig out WH. Cut off WH. Top off 4.5" casing with 5 sacks Class G Cement. Run 1" down surface casing to 50', Mix and pump 20 sacks Class G Cement to Surface. Hold standing full. Weld information plate, backfill bell hole. Release Rig. SDFN. All plugs witnessed by Dave Hackford, DOGM. Turn well pad over to Vernal Field Office for surface rehabilitation and re-seeding per instructions of DWR.

<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A	<b>DATE</b> 8/16/2011	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 511-16th Street, Suite 700 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> DWR 12-23-13-28
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2105 FSL 0550 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWSW Section: 28 Township: 12.0S Range: 23.0E Meridian: S		<b>9. API NUMBER:</b> 43047334810000
<b>9. FIELD and POOL or WILDCAT:</b> OIL SPRINGS		<b>COUNTY:</b> UINTAH
<b>STATE:</b> UTAH		
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/17/2011	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	OTHER: <input style="width: 100px;" type="text"/>	
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b> Reseed location as per DWR requirements with following seed mix: 20.3# Fourwing Saltbush, 18.7# Russian Wildrye, 12.4# Siberian Wheatgrass, 12.3# Crested Wheatgrass, 12.2# Western Wheatgrass, 6.2# Indian Ricegrass, 3.5# Wyoming Big Sagebrush, 1# Shadscale Saltbush. Final reclamation completed. Final report.		
<b>NAME (PLEASE PRINT)</b> Alvin Arlian		<b>PHONE NUMBER</b> 303 350-5114
<b>SIGNATURE</b> N/A		<b>TITLE</b> Landman-Regulatory
<b>DATE</b> 10/21/2011		

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**